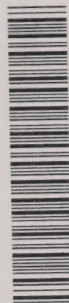


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Ont Committee
A Report... 1924.

(PROVINCE OF ONTARIO)

REPORT

OF THE

Agricultural Enquiry Committee
1924

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO

Printed and Published by Clarkson W. James, Printer to the King's Most Excellent Majesty
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VOTES AND PROCEEDINGS

OF THE

LEGISLATIVE ASSEMBLY OF THE PROVINCE OF ONTARIO

TORONTO, THURSDAY, APRIL 17TH, 1924.

On motion of Mr. Martin, seconded by Mr. Ferguson, it was

Ordered, That a Committee of this House, to be composed of Messrs. Jamieson (Grey), Thompson (Lanark), Trewartha, Black, Keith, MacBride, Belanger and Lethbridge, be appointed to enquire into and study all matters concerning the social, educational and economic conditions surrounding the agricultural, live stock and dairying industries of the Province in all their various branches and phases, including the production, improvement, packaging, standardizing, shipment, transportation, marketing and other methods of advantageously handling the products of those industries, and all other aspects of the subject requiring investigation and attention; and that the said Committee be instructed to gather all information it may deem essential or useful to enable the Government to prepare plans and methods looking toward the betterment of existing conditions, both in the interest of the producer and the consumer, and for the more effectual co-operation between the urban and rural populations, for the progress and stability of these great basic industries, as well as the general prosperity of the Province. That the said Committee have power to sit during the Recess, to engage necessary assistance and report to the Legislature.

REPORT

The Committee appointed to study the agricultural interests of the Province and prepare plans looking towards the betterment of existing conditions adopted three methods—public meetings, conferences, questionnaires.

In pursuance of the first method the Committee held public sessions, which were adequately reported in the daily press and farm papers, as follows:—

Guelph.	Warton.	Trenton.
Hamilton.	Kitchener.	Picton.
Grimsby.	Orangeville.	Napanee.
Brantford.	Brampton.	Kingston.
Simcoe.	Perth.	Oxdrift.
St. Catharines.	Ottawa.	Fort William.
Welland.	Renfrew.	Port Arthur.
Sarnia.	Russell.	Emo.
Chatham.	Cornwall.	Kapuskasing.
Essex.	Winchester.	Hearst.
St. Thomas.	Brinston.	Cochrane.
Woodstock.	Kemptville.	New Liskeard.
Stratford.	Brockville.	Bracebridge.
Clinton.	Vankleek Hill.	North Bay.
London.	Oshawa.	Hanmer.
Durham.	Port Hope.	Chelmsford.
Walkerton.	Lindsay.	Sault Ste. Marie.
Thornbury.	Peterborough.	Thessalon.

By the second method the Committee discussed the farmer's disadvantages directly with representatives of the railways, the Canadian Manufacturers' Association, wholesale, retail and labour organizations and citizens interested in economic and social conditions. All these conferences were reported in the press and the interest thereby aroused was entirely beneficial.

By the third method a list of questions was addressed to Wardens, Township Clerks and agriculturists and a survey of farming conditions accomplished.

The enquiry was begun in the spring when backward season and unfavourable prices were against the farmer. Before summer passed an assured crop and better returns had brightened the outlook. Agricultural prospects continued to improve throughout the balance of the year.

The enquiry was marked throughout by sustained interest on the part of the farming community. The purpose of facilitating the basic industry by a Province-wide study was furthered in every practical way by all concerned or invited to co-operate. The aim of all is to find a stabilizing plan to suit Ontario in some such manner as the President of the United States proposed in November to his Agricultural Committee and as the Government has also undertaken in Great Britain.

Comment has been repeatedly made in regard to the first method of enquiry. The meeting places were selected upon the advice of the local Members and Agricultural Representatives. Notice was given by advertisement in the press.

Farmers and others concerned were cordially invited to attend and state grievances or make suggestions. All complaints and constructive ideas were followed up and thoroughly sifted. The mass of detailed probing done by the Committee was appreciated by all concerned. Results show that cause of local grievances has been removed and that many suggestions offered at these meetings have found acceptance. Some few statements were made that could not be substantiated. Such statements represented harmful prevalent impressions which the efforts of the Committee have largely removed. Further it may be said that defective information is widespread throughout the Province concerning existing Government facilities for encouraging agricultural enterprise.

Acknowledgment is due to Ministers and officials of Federal and Provincial Departments; to municipal officers; to agricultural colleges, farm bureaux and educational institutions on this continent and in the British Islands; to co-operative and business concerns throughout Canada and abroad, by whom information was courteously and promptly afforded.

The Report is arranged by subject with recommendations attached.

DAIRYING.

According to the Dominion Dairy Commissioner the value of milk and its products in Canada in 1923 was \$238,693,885. The Ontario part of the total was estimated for this Committee by the Ontario Director of Dairying at \$84,060,830.

CHEESE.

The price of cheese at the factory is recognized as the standard of value of Ontario dairy products. The average price for 1924 was a fraction over sixteen cents per pound. The cheese factories being without suitable storage facilities and concerned about realizing on quick sales dispose of their product at low price to Montreal. A distinct phase of dissatisfaction among dairymen in Eastern Ontario is their dependent relationship to the Montreal Produce Merchants' Association. The Federal Government has established large storage in Montreal and of necessity the bulk of the Eastern Ontario cheese goes there before export. A report from the Secretary of the Montreal Harbour Commissioners says the exporting houses storing cheese in Montreal are firms who buy the goods outright and take their own risk on the export market. About fifty per cent. of space available for cheese, however, is given over to co-operative organizations of producers.

It is contended that the grade of export cheese should be branded on the rind. Cheesemakers and patrons hold that without some stamp cheese graded No. 2 may be sold by the exporter at No. 1 price. On May 1st, 1924, the Federal authority enforced the regulation under the Dairy Products Act for marking the grade of cheese upon the package for export. The Montreal Produce Merchants' Association then raised the differential between the price of No. 1 and No. 2 grade from one-half cent to two cents per pound. On June 19th, 1924, Leeds County dairymen passed a resolution, not, however, with unanimity:—

"That, in the opinion of the dairymen of Leeds County in convention assembled, the Montreal Produce Merchants' Association have demonstrated that they are a combination in restraint of trade and a menace to the success of the building up of a permanent and profitable export trade in Canadian cheese."

The Committee took the matter of differential up with the Montreal Produce Merchants' Association with the result that the Executive Committee of that body reported a revised differential of one cent. Their letter was not written till November 18th, although in it the statement was made that the differential had been reduced on May 15th. The information of the Committee, however, was that no redress could be secured from firms that had deducted two cents during the season. At the United Dairymen Co-operative auction sales the differential was never one cent per pound.

It had also been contended that the grade turned on too slight cause and question was raised as to the qualification of graders. The Dominion Dairy Commissioner, in this connection, says:—

"The best men available have been selected in every case. When positions are vacant they are advertised. All the applications are considered by a competent Board appointed by the Civil Service Commission and unless members of the Board have personal knowledge of the applicants there is usually a personal interview and the best man gets the position every time. They are then employed for a probationary period of six months so that in case they should not prove to be competent, their services can be dispensed with before permanent appointment is made. I am glad to say that we have been able to retain every one who has been appointed. The competency of the graders is of very great importance to us and we can be depended on, I think, to see that only good men are employed."

Ontario co-operative organizations have made some effort in export competition with the Montreal Produce Merchants' Association. The co-operative scheme received support from the Ontario Department of Agriculture and a comparatively large amount of public money has been spent upon it. It was spent to educate factory patrons and to ascertain whether patrons really demand better marketing arrangements.

The business structure built up in Montreal will stand until something of a distinctly better character replaces it. In the opinion of this Committee the future is in the hands of the co-operative movement. But maintenance of price in England cannot be disregarded by co-operative companies. To forestall underbidding and loss in the English market all Canadian cheese should be exported through one Commission national in character. The creation of such Commission is dealt with in this Report.

A second phase of dissatisfaction rests between the factories and a small section of their patrons. Discontent in this direction alleges among its causes opportunity under the Dairy Standards Act for unsatisfactory, incompetent or fraudulent testing of milk. It is also contended that testing for butter fat alone permits indifference on the part of milk producers about the sanitary character of milk. This Committee went into the few centres of unrest and heard divided opinion in all of them. Afterwards further enquiry was pursued. The Committee, however, failed to find evidence of injury to the cheese industry as an effect of resentment engendered by the Dairy Standards Act. The holdings of cheese for all Canada on November 1st, 1924, amounted to 22,468,981 pounds, as compared with 17,390,461 pounds at the same date in 1923. Figures are available for comparison month by month which show percentage of first grades

well maintained. The total quantity of cheese exported from Canada in twelve-month period ended October, 1924, was 118,874,300 pounds, as against 117,810,800 for 1923. The value of cheese exported in the same twelve-month period showed a decrease of \$2,073,912, accounted for by lower average price.

Objection to the Dairy Standards Act is further expressed because the Act leaves the basis of payment for milk optional as between the Babcock test for fat content and the test plus the factor two. This Committee has had the benefit of representative dairy opinion on this point. The factor two stands upon sound basis under all conditions and is accepted by dairy authorities as a reasonable value of the casein or curd, the most important protein in milk, which usually varies in mixed market milk between two per cent. and three per cent. It is essential in cheese-making. The intention of the Statute in leaving the option open was doubtless to afford both patrons and cheese-makers ample opportunity for coming to a thorough understanding of the fairness of the factor two.

In regard to standards and sanitary characteristics of milk supplied to a factory the interests of patron and maker are mutual. The quality and condition of milk are primary factors of the value of the product. Government instruction and inspection should safeguard all interests.

The small factory is a problem of the dairy industry. A Provincial Act was passed in 1923 to encourage consolidation of cheese factories, but no advantage has been taken of the facilities afforded. The Director of the Dairy Branch says:—"We must have factories of sufficient size to enable the management to engage competent men." The Dominion Dairy Commissioner says:—

"The time has come when, unless we have some reorganization of the factory system in Ontario, we are going to fall behind in the competition for the world's markets. The situation has entirely changed in the last few years with the advent of large quantities of butter and cheese from the southern hemisphere. In Australia, New Zealand and Argentine the factories are all very large. The largest cheese factory in Canada would be called a small one in New Zealand. This is also true in the case of Australia and Argentine. The trade appreciates the advantages in handling these large outputs. Quality is always important, but it is not the whole case."

The Committee is of opinion that small, inefficient plants can only be eliminated through voluntary action on the part of the patrons concerned and believes that when the producers are convinced of the financial benefits, they will proceed towards consolidation.

Ontario is a small consumer of its own cheese. The average Canadian eats three pounds of cheese in the year, which includes a considerable percentage of the imported article. The Committee has had the suggestion repeated that if made in small sizes our own cheese would win popular favour. In this connection the Dairy and Food Commissioner of Wisconsin says:—

"Notwithstanding the considerable number of varieties of cheese produced in Wisconsin, it is difficult to say that this has had an appreciable effect of increasing the per capita consumption of cheese. The per capita consumption of cheese is claimed to be approximately four pounds."

The Wisconsin consumer, with ten-pound prints and five-pound loaves prepared for him, eats one pound more cheese than his Canadian neighbour. Development of a domestic taste for cheese must depend upon additional methods. It is recommended that the Dairy Branch ascertain to what extent cheese is placed on domestic sale before being sufficiently matured and whether the manufacture of small loaves in Ontario would increase consumption of cheese.

We are importing from the United States each month up to 10,000 pounds of cheese which sells in attractively packaged and handy quantities up to sixty cents per pound. The Professor of Dairying at the Ontario Agricultural College says:—

“The fancy small cheese, such as Camembert, Gervais, Club, Kraft, Cottage, etc., sold on local markets should be investigated and their composition determined with a view to fixing fair standards of composition when offered for sale in Ontario. Little is known regarding the composition of this class of cheese.”

The Department of Farms and Markets, State of New York, supplies the composition of types of cheese imported from the United States:—

	Camembert	Limberger	Roquefort
Total solids.....	49 to 54%	53 to 70%	59 to 65%
Fat.....	30 to 32%	29 to 37%	28 to 37%
Protein.....	16 to 19%	17 to 28%	20 to 23%
Salt.....	3.19 to 4.17%	.86 to 3.14%	3.65% to 7.05%

The Professor of Chemistry at the Ontario Agricultural College reports that many varieties of soft cheese are wrongly sold under the name “cream” cheese. This Committee believes the Dominion authorities should protect the producer of cream and the public.

BUTTER.

Ontario butter has long been subordinated to cheese and fluid milk. Up to 1920 competition ruled principally in respect to price. The market absorbed everything. A highly competitive business is now developing. Keener interest is being taken in the care of cream and in study of the volatile substances in butter recognized by taste and smell. Pasteurizing and grading are essentials in the best creameries.

The Director of the Dairy Branch informs the Committee that in 1923 factory butter from 249 creameries totalled in value over \$600,000 more than the cheese of the Province. Farm dairy butter added made an aggregate of \$26,000,000.

Ontario butter, increasing in output, looks to the export market, in which uniform quality has high commercial significance. The Professor of Dairying makes the lesson plain for Ontario butter makers:—

“Ontario butter does not enjoy the same good reputation in the export trade as does our cheese. The cause of this inferior quality of butter is largely due to the method of collecting cream from the farms once or twice a week. The cream is frequently spoiled before it reaches the creamery. While neutral-

ization and pasteurization help to improve the quality of the butter, it is impossible to make finest butter out of spoiled cream. The remedy is to adopt either the whole milk form of creamery or collect the cream from the farms more frequently—once in two or three days at the longest. I believe that in the districts where cow population is large, the whole-milk form of creamery is best. The cream under this system is separated at the factory by large capacity centrifugal machines and the skim milk is condensed or powdered. This form of creamery will be able to make largest returns to the milk producer. The chief drawback is lack of dairy by-products on the farm.

“In a district where the cow population is comparatively small, the cream collecting and the cream shipping creamery are the only practicable kinds. To these the cream should be shipped or hauled at frequent intervals—often enough to prevent sour, stale and off-flavours in the cream and butter.”

The Dominion Dairy Commissioner explains the comparative inferiority of Ontario in the butter industry by saying:—

“The creameries in Western Canada have been organized on modern lines; they are centralized and have large outputs of uniform quality and under one brand. For that reason the butter from the prairie provinces is the most popular to-day on the U.K. markets and yet in grading returns the Western ranks lower than butter made in the East. The importers say they don't want to be bothered with small lines of different characters and brands no matter if the quality is right. This is a very important matter in supplying dairy produce to the Old Country under present day conditions.”

Mr. R. Johnston, Princeton, says:—

“Cream grading furnishes the incentive to the producers to care for the cream properly and to deliver it to the creameries sweet. Payment on grade standards is of as great importance as the payment by grade for the finished product.”

This Committee was amply supplied with figures covering cream prices over the Province. The conclusion reached is that cream producers are paid what the competition for cream is willing to concede. When cream is graded in Ontario as in other Provinces producers can expect a better price the year round.

The Committee recommends that sec. 4 of the Act to Improve the Quality of Dairy Products (Dairy Standards Act) be amended to enforce the grades for cream approved by the Dominion Dairy Conference, 1923, as follows:—

“(A) Table Cream: This grade shall include any lot of sweet, clean-flavoured, non-frozen cream bought for re-sale for household use and which is produced under conditions that comply with the special requirements of the municipality in which it is to be sold for consumption. The acidity of cream of this grade shall be not more than twenty one-hundredths of one per cent. (.20%) at the time of grading. The term ‘Table Cream’ may be supplemented by the trade terms ‘Inspected’ or ‘Extra Special,’ as the initial purchaser may in each case uniformly adopt.

“(B) Special Grade: This grade shall include any lot of cream which is clean in flavour, of uniform consistency and fit for making into Special Grade

butter. The acidity of cream in this grade shall not be more than thirty one-hundredths of one per cent. (.30%) at the time of being graded at the creamery where it is to be manufactured into butter.

"(C) First Grade: This grade shall include any lot of cream which is reasonably clean in flavour, of uniform consistency and fit for making into butter of this grade. The acidity of cream in this grade shall not be more than sixty one-hundredths of one per cent. (.60%) at the time of being graded at the creamery where it is to be manufactured into butter.

"(D) Second Grade: This grade shall include any lot of cream that does not meet the requirements specified for the next higher grade; such as cream which is butter, stale, musty, metallic, or otherwise unclean in flavour.

"(E) Off Grade: This grade shall include any lot of cream with a very objectionable odour or flavour, such as kerosene, gasoline, stinkweed, onions, or such other flavours as may render cream unfit for making into second grade butter."

Among all sorts of butter offered on the market the Federal Food and Drugs Act Regulations demand that whey butter only must be labelled. Some of the large cheese factories have facilities for churning their own whey cream; other smaller factories sell their whey cream to outside creameries. Whey butter has as high food value as the creamery product.

FLUID MILK.

The vital relationship of milk to human welfare calls for research and experiment in all countries. Supervision of fluid milk in Ontario has been neglected.

Mr. A. H. Fair, at the session held in Kingston, said:—

"Both as a producer and a distributor of milk, I feel that things are wrong in this city and other cities. What we want is pure milk and there is very little done by the Department to let the people know what pure milk is. What is done is to leave the matter to the municipalities. The municipalities practically do not act at all. Milk is our most important food. Bad milk has done much harm. Many diseases are contracted from dirty milk. It is easy to understand this without the bacteriological test. Raw milk, if you are assured it is free from tuberculosis and cleanly handled, is the best food for children. If it is not that sort of milk it must be pasteurized. The Government comes up in face of this condition and says there are only two classes of milk—certified and pasteurized. It is a long cry from certified milk to the milk gathered up from a number of farmers. I am in favour of Grade A milk as between the two. It should be made clear that you have or have not put the standard too high in certified milk. Why not adopt Grade A milk and admit that such milk produced under sane, sanitary conditions is the requirement."

Dr. J. W. S. McCullough, Provincial Chief Officer of Health, reporting to the Committee, refers in the first instance to bovine tuberculosis and adds:—

"But other diseases, such as scarlet fever, diphtheria, typhoid fever, septic sore throat, and particularly infant diarrhoea, are carried by this product. The means of protection against these diseases are the instruction of the producers in the proper care and feeding of the cows, their cleanliness, the cleanliness of the handlers, by rapid transportation and by instruction of distributors and consumers in the proper care.

"The testing of herds against tuberculosis will give security only against that disease and not for the others mentioned. The one means of protection which will cover all the diseases mentioned is pasteurization, which means heating the milk to 148° F. for half an hour, followed by cooling to 40° F. and keeping it at this temperature till used.

"In view of this it is suggested by some authorities that the control of municipal milk supplies should be taken out of the hands of the municipality and controlled by Government regulations, and that all local milk supplies should be under the authority of the Provincial Health Department. As the law now stands, a great deal of effort is spent by the Health Department in endeavouring to educate the producer, the consumer and the municipal authorities in the necessity of the use of clean methods in handling milk and in inducing local authorities to pass by-laws for this purpose. It is a slow process, but is perhaps after all the best one, because once the public is educated respecting the value of clean production and distribution of milk, nothing will induce them to return to the dirty methods formerly prevailing."

The Director of Dairying for Ontario reports:—

"One of the most outstanding needs from a health standpoint is a method of inspection which will ensure to the consumer of milk and cream a pure, sanitary product."

There is no question that milk may be graded like any other food commodity. Grading benefits producer and consumer. If the producer of Grade A milk, as suggested by Mr. Fair, receives only ten cents per can premium it will mean recognition of dairymen who are clean and conscientious in their methods. Eardley Finch, Belmont, President of the Elgin-Middlesex Farmers' Limited, furnished the Committee with copies of cards upon the scoring of which his company meets the requirements of the City of New York. Grade A milk demands from the producer:—

- Freedom from disease in the herd.
- Cleanliness and sanitary character of premises.
- Sterilized utensils.
- Udders of the cows clean.
- Hands of the milker clean and dry.
- Small-topped milk pail.
- Cheesecloth strainer sterilized by boiling.
- Different strainer cloth morning and evening.

This Committee believes that introduction of Grade A milk will increase consumption among those who can afford to purchase larger daily supply.

Although evidence shows that more farmers are going into milk production, they are not all making remunerative return. Typical evidence was given at Napanee by W. H. Hunter, a producer and distributor, who said:—"I find that I can buy milk cheaper than I can produce it. I pay \$1.70 per 100 pounds."

The working relations of the Milk Producers' Association and the dairy companies distributing fluid milk in Toronto stand in a measure upon the principle of co-operation. Somewhat similar conditions are found in all Provincial urban centres. The Manager of the Farmers' Dairy says:—"We

endeavour to maintain mutually satisfactory relations with the producers. We confer with them and ask them to confer with us. We have had always satisfactory relations. Of course, every one is looking for value."

A delivery system controlled and managed by the producers would be an alternative plan. Reference is called for in this connection to recent history of the Dairymen's League of New York. First incorporated in 1907, the League was reorganized after the Great War as the Dairymen's League Co-operative Association Inc., mainly to cope with the marketing problem. The Association sells its milk in four classes with a different price for each class, depending upon the purpose for which the dealer uses it. The plants owned by the co-operative association are not proving entirely efficient or satisfactory. The Association takes the prices it receives for the different classes of milk and pools them, paying the farmer the resulting pool price.

Various cities in the United States and Canada have tried out different ways of dealing with the milk problem. The Fraser Valley Milk Producers have virtually a monopoly of the milk supply to Vancouver and New Westminster. They organized in 1917 and some time later established local depots and wholesaled milk to distributors. In 1919 a subsidiary company was formed, called the Fraser Valley Dairies, Limited, for distribution and selling. The latter is a stock company, the shares of which are subscribed by members of the parent body. All returns from whole milk, cheese, butter, etc., are pooled and the same price paid to members for the milk. The producers report that they received sixty-five cents of the consumer's dollar.

Another form of milk producers' organization is in operation around St. Paul and Minneapolis. The Twin Cities Milk Producers' Association wholesales its milk to distributors. The price varies according to the combined price of cheese and butter. The Association has several creameries to absorb the surplus in the heavy producing season, including one in St. Paul, which takes care of the total surplus unpurchased or returned over daily need. The Association decides whether a member shall ship to the city or deliver to the local factory.

A general impression prevails that the first and most direct means of dealing with the spread in respect to fluid milk from producer to consumer is elimination of the duplicated service of men, horses and wagons engaged in city milk delivery. The suggestion of municipal milk supply has been heard at the majority of meetings of the Committee within the Toronto milkshed. Mr. C. J. Babcock (Market Milk Investigations in Washington), says:—"With regard to the distribution of milk as a municipal service, I know of no city in the United States where this has been undertaken. It has been seriously considered in Jamestown, N.Y., but I believe it has never been put into force." The Mayor of Jamestown informed the Committee that, owing to a question as to the validity of the bonds for a municipal milk plant under the New York State Constitution, the proposed project had not been put into operation and will not be undertaken till the question has been determined by the highest Court in the State.

Mr. James McLeod at Cornwall reiterated what producers all say:—"We want an aggressive campaign for increased consumption of milk in Ontario." The Manager of the Farmers' Dairy said:—"The people are using less milk and I believe, in some cases, the reason is they have not the money to buy it." Evidence such as this was heard at many different places. Cost to the consumer must be considered in any campaign to promote larger consumption.

CREAM.

The erroneous impression survives that cream is under Federal, Provincial and municipal authority. The Chief of the Dominion Division of Dairy Markets reports:—"As far as I am aware, there is no Federal legislation at the present time fixing a fat standard for cream." Up to June 29th, 1922, Regulations under the Federal Food and Drugs Act contained a minimum standard of eighteen per cent. milk fat, but in the new Regulations passed on that date there was no mention of cream. No information is forthcoming as to the reason for the dropping of the standard. The omission apparently went unnoticed by the municipalities, as the by-laws of different cities indicate. The Ontario Statutes do not provide a standard for cream for human consumption. Wholly inadequate information is obtainable about Ontario commercial cream production. In the Toronto district the price is agreed upon between the Producers' Executive and the Retailers' Executive.

In the United States the standard for cream is generally eighteen per cent. milk fat. By Food Inspection Decision 178, United States Department of Agriculture, sweet cream must contain not less than eighteen per cent. of milk fat and not more than 0.2 per cent. of acid reacting substances calculated in terms of lactic acid; whipping cream not less than thirty per cent. milk fat. The Committee recommends that this standard be included in the Ontario Milk Act.

Export of cream from Quebec and Ontario is increasing rapidly. The following statement shows exports to the United States of Canadian cream:—

Year ending March 31st, 1922.....	1,671,678 gal.	\$2,479,080
“ “ “ 1923.....	1,712,241 “	2,793,937
“ “ “ 1924.....	2,783,866 “	4,632,030

Cream was exported from all ports in the Province of Ontario in the following quantities:—

Fiscal year ended, March, 1924—731,436 gallons.....	\$1,793,944
April 1st to September 30th, 1924, 673,829 gallons.....	1,233,639

It must be remembered that Ontario cream in some quantity is exported through Montreal and other ports. The Ontario producer meets the United States standards in sending cream across the line. There is an import duty of twenty cents per gallon on cream to the United States.

ICE CREAM.

The Chief Analyst of the Dominion Department of Health reports under date August 25th, 1924:—

"Replying to your letter of the 8th inst., in which you make enquiry concerning the composition of ice cream as sold, I may say that this article has become very complex. It is recognized by the trade that plain ice cream may contain, besides fresh milk and cream, the following constituents:—Condensed milk, powdered milk, skimmed milk powder, butter, eggs, gelatine, starch and sugar, along with the flavouring material. This Department has made no systematic survey of the cream market since the abolition of the standards previously established by Regulations under the Food and Drugs Act."

The Analyst's report was asked for after the Medical Officer of Health for Toronto sent the following information to the Committee:—

"The greater bulk of our ice cream is manufactured from cream and whole-milk powder, while a very small percentage is made by using milk powder and a certain quantity of butter, but in no instance has our test shown that inferior or low grade materials are being used in the manufacture of this product."

A Dominion ice cream standard of fourteen per cent. was effective until May 1st, 1918, when Canada Food Board Order No. 34 becoming effective reduced the milk fat to ten per cent. On the 13th December, 1920, a seven per cent. standard became effective by Regulations passed under the Food and Drugs Act. The seven per cent. standard was dropped in the Regulations of 1922. No information is obtainable concerning representations upon which the ice cream standard was gradually eliminated.

Saskatchewan has a standard of ten per cent. milk fat. The United States Bureau of Chemistry advises that the average for all the States is slightly in excess of ten per cent. milk fat. Bulletin No. 1161 (June 7th, 1923), which deals with factors affecting quality of ice cream, shows conclusively "that there is a decided preference by consumers for the richest and sweetest and firmest products."

There being no Dominion standard for ice cream, the Committee recommends the adoption of the Saskatchewan regulation, which is as follows:—

"Ice cream is a frozen product made from cream and sugar with or without harmless flavouring, stiffening and colouring materials, the amount of which shall be less than two per cent. It shall contain not less than ten per cent. of milk fat. All milk, cream and other ingredients, excepting fruits, nuts and sweets, used in the manufacture of ice cream shall, immediately before manufacture, be heated to a temperature of not less than 180 degrees Fahrenheit and held at such temperature for fifteen minutes or to a temperature of not less than 145 degrees Fahrenheit and held at such temperature for thirty minutes. All fruits used in the manufacture of ice cream shall be sound, clean and mature, and nuts shall be fresh, sound and non-rancid."

CONDENSED PRODUCTS.

The value of Canadian condensed products was \$10,040,318 in 1923, an increase of forty-seven per cent. over 1922. Ontario accounted for \$8,460,684 of the total.

One company in Ontario reports its requirements of milk for 1924 at 75,000,000 pounds. Prices are set from time to time per hundred pounds of milk of a standard amount of fat—usually 3.5. Milk of higher or lower fat content is bought at higher or lower price. Prices paid by one firm during 1924 varied from \$2.00 to \$1.25 per 100 pounds of 3.5 milk. The price in mid-December was \$1.75.

Steadily increasing absorption of fluid milk in dried milk plants calls for more information concerning this industry. The market for these products is expanding and apparently offers more profit than the manufacture of cheese and butter. The increased market for milk necessarily benefits the dairy farmer.

More information with reference to the subject should be gathered. Prof. Georges Dreyer, Oxford University, says, concerning the increased output of powdered milk:—"Dirty milk is an evil, but no milk is a worse one. Nevertheless, we have not to choose between these two evils, for it is not necessary to put up with either. For myself, I feel sure that the drying of milk provides us, for the present, with a reasonable solution of our difficulties."

The Committee recommends that the Ontario Director of Dairying devote his whole time to dairying in its different phases.

FIELD CROPS.

SEED.

No single factor in the problem of agriculture is of more immediate concern in Ontario than seed. In legislation and educational activities Ontario should co-operate fully with the Federal Department of Agriculture and the Canadian Seed Growers' Association, looking to the success of a Dominion-wide scheme of production, control and marketing.

At the Orangeville session J. M. McNaughton (Mono Township) said:—"I think it is desirable to have some community plan of cleaning seed; to have a cleaner in some place where grain can be thoroughly cleaned before sowing." This expresses an essential need in Ontario for local seed-cleaning facilities. The opportunity is an attractive one for co-operative enterprise. A Provincial Act was passed in 1920 making provision for loans to co-operative associations in erecting seed-cleaning plants and potato warehouses, but it has failed of substantial effect. The reason ascribed by the Director of the Co-operation and Markets Branch is that a power cleaner may be purchased for \$600 to \$700 and a gasoline engine for about \$200 and this makes a small amount upon which to base a loan from the Government to a group of farmers.

The head of the Department of Field Husbandry at the Kemptville Agricultural School, where some work has been done in assisting Eastern Ontario farmers to get high-class seed, says:—

"Central seed-cleaning plants are very useful in districts where a large surplus of seed of any variety or varieties is produced. It allows farmers to send in their grain or small seeds to be properly graded and lumped with that of other farmers, makes possible the selling of carlots of uniformly graded seed suitable for interprovincial or export trade. Only a properly equipped central plant can function in this way. Important as this trade is now or could be made in Ontario, the greatest need is for assistance to the 'average' farmer, the one who feeds most of his grain on the farm and would benefit chiefly in the larger crops secured by using properly graded seed. To this class of farmers, and they are by all odds the largest class, the installation of suitable machinery in the local mill or feed store would be of most service. It appears to me that the programme of seed improvement should be along the line of establishing simple and reasonably inexpensive equipment in plants where there is already a source of power, such as local chopping mills, enabling farmers to bring grain

to be graded for seed just as they now bring grain to be ground for feed. The operator of the mill should be encouraged and assisted by the Agricultural Representative in the installation of the proper machines, and the farmers in the vicinity should be urged by the Representative to make use of the equipment."

Local seed-cleaning outfits have been a distinct success in the Province of Quebec. The Chief of the Field Husbandry Branch in this connection reports:—

"There is in this Province a large co-operative plant for the cleaning and handling of seeds which is established at Ste. Rosalie and possesses a very complete equipment of machinery. This has been established with the idea to offer for the general trade a higher quality of seed. But beside this organization it has been felt necessary to organize farmers locally for a more thorough and uniform cleaning of their seeds, especially in those districts that are far away from the central plant of Ste. Rosalie.

"In many instances we have to secure seeds of a given variety from a district where it is being produced, but up to a couple of years ago the buying of such seeds was made impossible on account of lack of uniformity in cleaning. This has given an opportunity for putting up some small plants consisting of large size fanning mill. We have found that the Clipper No. 147, which requires a motor of three horsepower, is the best suited for smaller organizations. This machine is operated at a farmer's place in a given centre, as near as possible to a railway station. It can be moved easily, if necessary. The Provincial Government is granting \$150 to farmers who wish to organize into a Seed Club (minimum of fifteen members) or to our regular Farmers' Clubs or Agricultural Societies for the buying of a Clipper No. 147.

"It is understood that the same man is to take care of the machine and operate it according to the instructions. We install the machine ourselves through special instructors who have been trained to that work and teach the farmers how to comply with the Federal Seeds Act.

"Farmers that are members of the Club are charged the cost price for the cleaning of their seeds and those that are not members are charged higher rates."

"The Clipper No. 147 will clean from 350 to 500 bushels of oats per day and it is found to do much better work than the smaller Clipper. Farmers find it much cheaper to belong to such a club and have their seed cleaned mechanically than to buy an individual small fanning mill and operate it themselves."

"When requested to sell seed abroad to the trade we induce farmers very strongly to buy uniform bags in large quantities so as to give better appearance to their shipment.

"It is considered that these outfits are profitable not only to those districts that are selling seeds, but to every farmer using them for their own farm. We have fifteen of these machines placed already and we have not had one complaint yet about them. Prospects are that eight or ten new ones will be bought early this fall."—(August 20th, 1924.)

The Committee has also been impressed by the Quebec Government scheme of demonstration fields originated in 1914 and now including 250 fields. Some of the aims are to encourage the use of well selected and cleaned seeds, to demonstrate the value of the best varieties for each given district and to illustrate the best methods of getting rid of weeds. The policy is not very expensive for the Department to carry. It supplies the seeds and gives instructions concerning preparation of the land and cultural methods. This plan is recommended for Ontario by the Committee.

WEEDS.

The Noxious Weeds Act of Ontario is ineffective. G. A. Bothwell, President of the United Farmers' Co-operative, at the Round Table Conference on August 27th, said:—"One matter causing me a great deal of anxiety at the present time is the spread of weeds throughout the country. The highways of the country are distributing a lot of noxious weeds. I have had a fight for the last ten years personally against the wild carrot. It is on the roadside. I have destroyed it, but it is allowed to spread, and this year I am almost discouraged." The Committee recommends that the Noxious Weeds Act be revised and that new legislation on this subject include enforcement by the Department of Agriculture. The Committee also suggests that a strong Province-wide campaign be undertaken to combat weeds with the co-operation of municipal councils, schools, Agricultural Representatives, organizations of various kinds, including Horticultural Societies and Women's Institutes and Clubs.

There is substantial complaint concerning re-cleaned grades of screenings which, although good stock feed, carry weed seeds of Western origin in such injurious quantity that it is safe from the weed standpoint to feed them to sheep only unless very finely ground. Representation to the Federal Department of Agriculture should be pressed in this connection.

BEANS.

The Counties of Huron, Elgin and Kent now produce half a million bushels of beans yearly. The quantity has declined substantially in recent years. With proper marketing methods and more reasonable railway rates the bean industry in Ontario should be equally profitable for growers and canners. The annual import of graded beans into Canada amounts to fully three-fifths of the Ontario crop. According to figures of the External Trade Branch of the Dominion Bureau of Statistics, 43,587 bushels were imported from the United States alone during the fiscal year ended March 31st, 1924, in addition to 1,196,562 pounds of baked beans in cans.

At the Clinton meeting a witness from Michigan interested in bean production said:—

"Here along the shore of the lakes you enjoy the ideal climate for producing the highest quality of beans. The heavy dews that fall each night upon your crop is the God-given condition for bean growing. There is no other part of the continent where the bean will grow as well as in this lake region. But no matter how delicious the bean may be the consumer will not eat dirt with it. It must be cleaned and the buyer demands an even grade also. He will not take anything else."

In Michigan official grades and regulations have been adopted by the Bean Jobbers' Association and the effect on the market has been a marked improvement. More than 400 bean elevators equipped with bean picking and handling machinery are required in preparing the field-run bean crop of that State for the market.

The freight rates on beans have been complained of as compared with wheat. The railways claim that because beans are a much more valuable commodity and shipped in smaller quantities, there can be no fair comparison of rates.

LIMESTONE.

Need of the soil for lime has been emphasized at meetings of the Committee in widely separated sections. The Professor of Chemistry at the Ontario Agricultural College has supplied the Committee with information concerning lime and soil fertility and adds:—

"We have had a good deal of experimental work in connection with lime and have been advocating its use for some time. The product we want the farmers to get can be procured from the waste dust in the large stone-crushing plants. It is cheaper than it can be ground from the original rock wholly for this purpose. We have endeavoured to get the freight rates lowered on this product, assuring the railways that this was a matter that was fundamental in crop production and which would bring returns in increasing transportation of farm products."

The Bureau of Soils, United States Department of Agriculture, reported to the Committee:—

"There is no general rate for powdered limestone for the whole United States, as the rates vary not only in different sections of the country but on different railroads. In general, however, the rate is comparatively low, as it is well recognized that the use of ground limestone will increase railroad tonnage on farm crops and also increase the farmer's income, which will increase other railroad tonnage. Certain of the States have secured very low rates on limestone within their borders. We believe that a very much greater tonnage can and will be produced and used in the future as a large part of the Eastern United States can profitably use lime on leguminous crops such as clover and alfalfa."

The Committee approached the Canadian railways with a request for special freight rates and the Canadian National has expressed willingness to consider a proposed tariff. A firm in Ontario, which is in a position to supply quantities of crushed agricultural limestone, has furnished the Committee with the following list of prices contingent on approval of the proposed tariff by the railways:—

Mileage	Present Freight	Proposed Freight	Proposed Base Price	Present Del. Price	Proposed Del. Price
0- 10.....	\$1 00	\$1 00	\$2 50	\$4 00	\$3 50
10- 20.....	1 10	1 10	2 50	4 10	3 60
20- 30.....	1 20	1 20	2 50	4 20	3 70
30- 40.....	1 30	1 30	2 50	4 30	3 80
40- 50.....	1 40	1 40	2 50	4 40	3 90
50- 60.....	1 50	1 50	2 50	4 50	4 00
60- 70.....	1 60	1 50	2 50	4 60	4 00
70- 80.....	1 70	1 60	2 50	4 70	4 10
80- 90.....	1 80	1 60	2 50	4 80	4 10
90-100.....	1 90	1 60	2 50	4 90	4 10
100-150.....	2 40	1 75	2 50	5 40	4 25
150-200.....	2 90	1 90	2 50	5 90	4 40
200-250.....	3 25	2 05	2 35	6 25	4 40
250-300.....	3 60	2 25	2 25	6 60	4 50
300-400.....	4 00	2 50	2 00	7 00	4 50
400-500.....	4 50	2 75	1 75	7 50	4 50
500-600.....	5 20	3 00	1 50	8 20	4 50
600-700.....	5 70	3 25	1 50	8 70	4 75
700-800.....	6 10	3 50	1 50	9 10	5 00
800-900.....	6 70	3 75	1 50	9 70	5 25
900-1000.....	7 40	4 00	1 50	10 40	5 50

This is one of the tangible results following the investigations of the Committee and the matter should be followed to a satisfactory conclusion. With this prospect, it is the opinion of the Committee that provision should be made under the Tile Drainage Act for the loaning of money for the purpose of providing agricultural limestone. In this connection it should be understood that money for this purpose would be loaned on the certificate of the Agricultural Representative that the particular soil required lime.

With a reduced price for lime, reduced freight rates, provision for financing, help from the Agricultural Representative, there is no doubt hundreds of farmers in sections requiring lime would take advantage of these opportunities to increase their yields, the effect of which would be felt for years to come.

DRAINAGE.

The Tile Drainage Act, which provides for loans to farmers through the township councils at five per cent. interest, has been availed of but slightly in Central and Eastern Ontario. The Director of Drainage at the Ontario Agricultural College says:—"I am satisfied it is one of the most important avenues of approach in the solution of the farmer's financial status." As a witness at one of the sessions remarked, "Steps should be taken by the farmers to get the full benefit of Government facilities and educational co-operation."

Most of the tile plants are in Western Ontario and the cost of transportation of tile is so high that it is a drawback to the progress of drainage work. Correspondence and conferences with the railways have not advanced in any respect the proposals passed on to this Committee for more favourable rates on drain tile. The lesson of these negotiations with the railways is that the farmers of Ontario are lacking in organization and skilled service in the preparation and presentation of their case for lower freight rates. The Committee is of the opinion that the Department of Agriculture should extend expert assistance in this respect to co-operative organizations of farmers.

FRUIT AND VEGETABLES.

APPLES.

The Ontario apple grower is confident that increased production of right varieties and proper marketing will make this industry profitable. He is not put out by the increasing practice of Italian and Greek retail dealers in our Ontario cities and towns of featuring showy, well coloured, imported fruit in their stores. The consumer is the victim of this window dressing which hinders display of the better flavoured Ontario apple. It is to the credit of the British Columbia and Nova Scotia packers that their apples are graded and their pack is reliable.

In the last two or three years the apple crop of the Province has not been satisfactory considering that in no part of the world may better fruit be grown; notwithstanding also ready market for Ontario quality apples of the right varieties. The apple growing sections of the Province are widely separated one

from another. Considerations both of soil and climate count in determining the varieties best suited to different districts. This fact is not lost sight of; but much remains to be learned. This Committee recommends the establishment of a station in the Eastern district to test cultivation of profitable varieties for that section of the Province.

The Committee recommends that experts be appointed to assist Agricultural Representatives in large apple growing counties.

In 1922 a Special Committee of the House reported in favour of cold storage.

The New York State apple crop, like that of Ontario, is a barrel pack. This Committee went to the Director of the Bureau of Plant Industry, State of New York, for evidence on all points at issue. His statement is:—

“Up to the present time it is not apparent that selling co-operatively has increased the net returns of the New York State apple growers. The enforcement of our grading law has certainly increased the reputation of the New York State pack of apples, and because of that fact there has developed a good export and domestic demand. The packing and selling of fruit co-operatively up to this year has failed to materially increase the profits of the grower, because of the fact that the overhead charges of these organizations have seemed too high in proportion to the total amount of the business done. I am inclined to think that the total number of bearing apple trees in New York is not diminishing but increasing. There is a tendency, however, to get rid of some of the poorer, little known and unprofitable varieties and to develop finer dessert and culinary sorts to replace some of the older commercial sorts which are not ideal for either culinary or dessert use. The last two or three seasons have been unprofitable generally to the apple grower and this year we find many orchards producing a very light crop of poor fruit. This is particularly noticeable in the older orchards of a large part of the Western New York apple belt.” (October 7th, 1924.)

On the particular question of precooling he replied as follows:—

“Apples for export are not generally precooled. However, when shipped from Western New York for export they are usually shipped in refrigerator cars and our storage facilities are large enough so that a very large portion of the crop kept for domestic consumption, or to be later exported, is held in chemical cold storage.

“These cold storages are usually owned by cold storage companies and not by co-operative associations of producers. However, in the heavy apple producing areas many of the producers are stockholders in these cold storage companies. The cold storage business has been generally profitable and fairly large dividends have been paid.

“The Department of Farms and Markets has encouraged and assisted in the organization of producers' co-operative organizations. This assistance has to do with the organizing of such organizations and the introducing of proper accounting systems. The Department, however, cannot give any financial assistance. They do advise, however, as to the financial arrangements necessary for the organizing and floating of such organizations.”

In the development of export and domestic trade in New York State the experience thus reported by the Director is similar to what this present Com-

mittee learned concerning Nova Scotia. A conference was held with Mr. A. E. McMahon, Manager of the United Fruit Companies of Nova Scotia, Limited, Kentville, N.S., who explained the history and financial record of his organization. It is a record of steady advancement and success, although the smaller portion of Nova Scotia fruit is controlled. The purchasing and marketing features of the organization have been improved by experience and few departments in any year lost money. Last year a turnover of \$2,196,000 cost 1.8 per cent. Mr. McMahon does not consider cold storage requisite. Dry storage of apples and potatoes in frostproof wooden warehouses is essential. Right grading and packing according to immediate market requirements allow the apples to come in reliable condition before the consumers. Mr. McMahon impressed the Committee by his account of saving effected in cost and increase accomplished in production by co-operative measures. The co-operative saving applied to fertilizers, spray materials, seeds, merchandise, flour and feed. The cost of this company discloses exceptionally low figures compared with marketing organizations in Ontario reporting to this Committee. Mr. McMahon was frank in declaring from personal knowledge of the fruit growing districts of Ontario that natural conditions in Nova Scotia cannot match this Province for production of the best varieties of apples, whilst with our larger fruit areas we can achieve the special advantages of volume in the English markets.

If co-operative organizations are to participate in the marketing of Ontario apples they must provide storage warehouses. This Committee cannot recommend Government assistance to either private enterprise or producers' co-operative organizations. Storage is and will continue to be an attractive business proposition.

TENDER FRUITS.

In the lake shore fruit districts from Toronto to Niagara the Committee heard representations for precooling of tender fruit. There is large investment of money in the industry in this section and land values are high. A precooling plant was constructed at Grimsby by the Federal Department of Agriculture but was taken over by the present owners three years ago. A report by the Dominion Cold Storage Commissioner says:—

"I don't think the cost of the Grimsby plant would be of very much value to you because you must remember it was erected for experimental purposes, not for commercial purposes, and both in its design and equipment it contained a great many things which are not essential for a purely commercial institution.

"As regards the question whether it paid or not—that all depends on the point of view. The rates charged by the Government for handling the fruit did not cover the cost of operation, but the cost of the plant was saved over and over again to the fruit growers of the district by the improved prices which they got for their fruit, and I think that is the way in which the matter has to be viewed. There isn't any doubt in the world as to the value of such a plant for the handling of tender fruits but you can never run a plant of that kind charging ordinary rates and expect the rates to pay for operation and capital outlay. Some credit must be given for the enhanced value of the fruit. I believe the whole Niagara district has benefited from the operation of the plant at Grimsby, although only a small proportion of the total crop has been handled there."

The tender fruit crop, absorbed for canning and eaten fresh in cities and towns, has been considered carefully in conference with the railways. Fresh fruit must be delivered in as perfect condition as possible. The Dominion Fruit Transportation Specialist wrote on December 29th:—

"Handling of the tender fruits of Ontario by Canadian National Express was greatly improved in the past season by the addition of a ventilating feature in their express cars, of which thirty were in service. These cars, palace horse cars in design, have been in the same service for several seasons, but unventilated other than by the side shutters and the cupola side lights being open. The result was insufficient ventilation and excessive admission of cinders and dust, though with insufficient air changing through the load.

"For this season thirty of these cars were equipped with a forced air circulation. Briefly, it consisted of air intakes on the roof of the car which in motion fed a steady stream of fresh air through ten air ducts to the space under the false flooring of the car, whence it was forced upward through the load. At a nominal speed of thirty miles per hour our tests established that the intake and exhaust velocity represented a complete change of air in less than one and one-half minutes. The intakes were trapped for weather and cinders, only a very fine soot reached the floor and the load at destination was found to be remarkably clean.

"This improvement has earned the commendation of both shippers and jobbers. It is just what was required for the medium short haul within Ontario and to Montreal. The Dominion Express Company have had a car somewhat similar in principle in service for several years. Interested officials in the Canadian National Railways are recommending that all forty-five of these leased cars be equipped for ventilated service for next season."

The Clarkson Fruit Growers' Association are anxious to secure a plant for the precooling of strawberries. The land around Clarkson is particularly adapted to strawberries and the quantity grown in the section covered by the Association is approximately 3,000,000 quarts or about twenty-five per cent. to thirty per cent. of the total production of the Province. The market for this crop is principally in Toronto and Montreal. These two cities fall far short of absorbing the whole of the crop. The growers are satisfied that with precooling they could ship to Winnipeg and other Western cities. They explain that with the introduction next year of new standard berry boxes they can ship to Rochester, Cleveland, Pittsburg, New York, Philadelphia, Detroit and Chicago. If the fruit can be placed in the United States market in a sound condition the Association will find no difficulty in selling the entire crop.

A report obtained from the Louisiana Farm Bureau Federation says:—

"The strawberries handled by the Farm Bureau Exchange are not pre-cooled in a regular plant. All the precooling that is done is that of icing the car during the very early morning hours, usually from two to five o'clock a.m. The berries begin to arrive from the field about noon and are placed in the car as rapidly as they come in. As soon as the car is loaded it is closed and picked up by our express freight service. This is all the precooling that is done."

The committee also communicated with the Ozark Fruit Growers' Association, Monett, Mo., and received the following reply:—

"We do not precool the strawberries. This was tried out in an experimental way in 1922 and 1923, but I do not think it was a success. There might be some

improvements made which would make it successful, but so far we cannot recommend the precooling of strawberries in the full sense of the word 'precooling.' It would take something like a day to do this and that would mean a holding over of that length of time and the buyers want fresh stock. If cars can be precooled a few hours in advance of loading, we have found so far it is the most successful plan."

The Dominion Fruit Transportation Specialist reports under date December 29th:—

"Experiments by the Fruit Branch were carried out during the past season in British Columbia and New Brunswick in precooling loaded refrigerator cars of strawberries before shipping at points where precooling facilities are not otherwise provided. The results obtained and the interest of the shippers in these localities have encouraged us to plan a somewhat more elaborate programme of similar experiments for the season of 1925.

"No experiment of this nature has been undertaken in the Clarkson district, the bulk of their marketing being by ventilated express service to Montreal. We would of course be glad to undertake such a demonstration for the benefit of the Clarkson shippers and the district generally if any carload shipper there made a request. Such a demonstration would of course involve a supply of ice for re-icing of the car before forwarding.

"It is presumed that the principle of this method is understood. After an iced car is loaded one sixteen-inch fan is placed on top of the load in each end of the car facing the ice containers and accelerating a circulation of warm air from the load on to the ice containers. There this warm air is chilled, falls to the floor, under the load and upward through the load. This same circulation is provided for in any correctly loaded car, the load being over a floor rack, stripped and braced and with longitudinal spacing. Warm air rises from the load and is replaced by chilled air coming from the bunkers and under the floor rack. The principle of fanning is to accelerate this circulation, to increase the speed of ice meltage and its absorption of heat. As the load is reduced to a satisfactorily low temperature its own generation of heat is reduced and the task of refrigeration made easier."

IMPORTS.

A great number of complaints have been made to the Committee by fruit and vegetable growers of the Province that our local markets are every year almost satiated with imported early produce when these Ontario products are ready. There are differences of opinion about meeting the situation. The subject is one, however, for Federal decision and action. All round the United States tariff doubles the corresponding Canadian duties.

Information is not available upon which a division of imports between canning factories and consumers of the fresh products can be based. According to figures supplied by the External Trade Branch of the Dominion Bureau of Statistics, the value of fresh fruits and vegetables, such as Canadian farms produce, imported into Canada from the United States during the fiscal year ended March 31st, 1924, was \$8,499,721. Included in this total are apples, \$878,333; pears, \$782,464; grapes, \$773,348; strawberries, \$740,699; tomatoes, \$1,010,759.

LIVE STOCK.

Hogs.

Canadian bacon is gaining in the British market. The progress made is not yet proportionate to the opportunity afforded our farmers to produce in quantity bacon hogs suitable for British demand and is not commensurate with Federal and Provincial Government expenditure upon stimulation of bacon export. The total amount of bacon sent from Canada to Great Britain constitutes only ten per cent. of the bacon imported. Canadian like Danish bacon is exported to England as "Wiltshire cuts," that is, sides with the hams and shoulders attached. It is smoked by the English wholesalers prior to distribution to retailers. General Gunn told the Committee that if farmers produce in greater numbers the right kind of hog, Ontario will get its full share of the British market and a fair price.

The Deputy Minister of the Dominion Department of Agriculture informs this Committee that in 1922 the average monthly difference in price between Canadian and Danish bacon was twenty-eight shillings per hundredweight in favour of Denmark. In 1923, this differential was reduced to thirteen shillings six pence, while for the first eleven months of 1924 the average monthly difference in price was ten shillings nine pence, with a marked improvement over this during the closing months of 1924, as evidenced by the following monthly averages:—

September.....	Danish, 116/6.....	Canadian, 108/6.....	8/0
October.....	" 116/6.....	" 111/6.....	5/0
November.....	" 115/6.....	" 110/6.....	5/0

At great expense the Dominion and Provincial Governments have combined in a vigorous campaign for select bacon hog production, and there is evidence that the percentage of selects is increasing. The premium paid for the select hog is an inducement to breed the type wanted by the British consumer of bacon. The Danish hog for this requirement has been developed from the native breed. Denmark as a competitor has had a long start of Canada in this respect.

A general complaint heard was that drovers do not allow the farmers the benefit of grade. At a conference with the packers on November 19th the point was threshed out. The following is an extract from the record:—

MR. THOMPSON, M.P.P.: "It is quite true you can bring in a grader once in a while and grade your hogs, but the great majority of hogs are bought by drovers through the country and shipped together, and either the drover or the packer or somebody else is getting the advantage of the high-class hog and not the man who produces."

GEN. GUNN: "Did you put tags in the hogs' ears?" A.—"No."

GEN. GUNN: "I raised 375 and ran seventy-five per cent. select and there is no hog comes out without being tagged."

MR. THOMPSON: "It is not generally known throughout the country."

MR. TREWARTHA, M.P.P.: "It is generally known in our town."

MR. LETHBRIDGE, M.P.P.: "It is not done in ours; either the drover or the packer gets the advantage."

MR. TODD (Secretary Council of Canadian Meat Packers): "At the time grading was inaugurated there were three undertakings given: that the Government would grade the hogs; that the packer would pay the premium for the select hog; that the farmer would secure that premium. There are three responsibilities in this thing. One is that the Government should grade the hogs so that everybody knows what the grades are. The second is that the packer shall pay the premium. Now he cannot pay that premium unless he knows who he is going to pay it to. The third is that the farmers should organize to secure that premium. Methods have been devised for the marketing of hogs. Directions are sent out for the purpose. Pamphlets have been issued by the Government dealing with it and everything has been done nearly that can be done except that the farmer has not quite faced his part of getting a method of selling, either by arrangement through his drover or by some organization in the way of a co-operative shipping club, to secure the grading of his hogs."

The Dominion Live Stock Commissioner supplied the following definite information to the Committee on December 29th:—

"In districts where there is a fair percentage of select hogs there does not seem to be much difficulty for the farmers to secure the premium as they themselves exert sufficient influence to bring the premium back. They do this either by co-operative shipping or through a drover who is forced to purchase on a graded basis. On the other hand there are districts where only a few farmers have good hogs and they are the men who experience the greatest difficulty in obtaining the premium. The drover feels that in order to do business he must pay all farmers the same, and as there is not a sufficient number who have good hogs to force him to purchase on a graded basis, he continues to operate in this way.

"We have a special tag which is available to farmers through our branch at 36 Adelaide Street East, Toronto, and if the farmer tags his hogs, then ascertains to whom the drover sells, he can obtain the premium upon application to the packer buyer. This is, of course, difficult to carry out in many cases and the problem is only satisfactorily solved when sufficient farmers in a district are interested in obtaining the premium that they can force the drover's hand. Consequently we are endeavouring through promotion work, in co-operation with the Provincial Department, to improve the hogs in such districts as experience trouble, so that the farmers then will be in a position to demand and obtain the premium.

"In marking hogs for co-operative shipment we have found that clipping is more effective and practical than tagging and consequently we have encouraged the development of this practice."

A reason advanced by some farmers for slow progress in the British market is expressed in the following evidence by D. J. Taylor, M.P.P., at the Wiarton session:—

"The real objective of the bonus on graded hogs is not attained now. The real object was to follow the select hog into the British market where the stamp 'Canadian' would be seen on the bacon. The British consumer could then have confidence in Canadian products. We have no knowledge of any inspection after the hog passes from the farmer as a thick smooth or select. If the select bacon hogs were followed by the Government stamp into the British market the effect would be to increase the production of bacon hogs in Ontario fifty per cent.

It would be to the advantage of the farmer and of the abattoir. If the bacon from the select hog is not stamped first-class Canadian product, we are gaining nothing in the British market."

The laws of commercial nations recognize health inspection and not type. All British bacon imports come within regulations established under the Food Act, 1907. The Danish red mark known as "Lur Brand" was recognized by the Local Government Board of Great Britain, January 26th, 1909, and the same official circular gives equal recognition to the highest Canadian certificate designated "Maple Leaf." These Danish and Canadian markings therefore have the same significance. They certify that the meats so marked are from carcasses absolutely free from disease and in which no trace of tuberculous deposit has been found. All the bacon Denmark delivers to Great Britain bears the red "Lur" mark. Most of the bacon sent from Canada bears the health inspection certificate "Canada Approved," which does not guarantee absolute freedom from disease.

The volume of Canadian export business in the product of U.S. hogs is disclosed by the following extracts from letters from the Deputy Minister of Customs and Excise:—

"The total exports of Canadian bacon and hams, shoulders and sides during the fiscal year ended March, 1924, were, according to our records, 996,245 hundredweight. This includes American pork cured in Canada." (August 8th, 1924.)

"The amount of imported American pork, cured and exported, upon which drawback was paid during the fiscal year 1923-24—25,242,484 pounds."—(August 20th, 1924.)

At a session of the Committee on November 19th the following statement was made by Mr. J. S. McLean (representing the Harris Abattoir) and was in substance repeated or endorsed by the other packers present:—

"I don't suppose there has been a carload of American product go out of Ontario for six months or out of Canada. And anyway there never was, I am quite certain, any such disposition on any scale. I don't think this American bacon ever was sold in any quantity that was worth speaking of as Canadian bacon. If it had been sold it is possible it might have had some very trifling effect that could not be important at all in its bearing on the general Canadian situation and the interest of the marketing of Canadian product. I think this question of American bacon has ceased to have any importance at all in connection with the consideration of Canadian problems. I think it is worth while settling and it is fortunate it has been raised. One thing perhaps that has not had emphasis is this, that this began as a war trade. Great Britain was extremely anxious for all the Wiltshire bacon she could get. Great Britain served Wiltshire bacon to the army. Canadians had been accustomed to cure Wiltshire bacon; the Americans had not. There was practically no Wiltshire bacon shipped from the United States to England. Denmark was cut off, so it was a natural development during the war. Some of the Canadian bacon curers who could not get nearly enough Canadian product to fill the demand for Wiltshire cured, went to the United States and began to buy carcasses there and brought them over here because they had not curing plants in the United States. That is how it began, in a very natural way. It was natural that it

should not cut off like a knife after the war. The houses continued to cure this because they had outlets for this cured product. But the trade is gradually settling back to the pre-war conditions; the trade has disappeared and it no longer has any importance at all in connection with the marketing of our Canadian products."

In the interests of Canadian farmers and consumers this Committee recommends that bacon from United States hogs sold in Canada or abroad be plainly marked to indicate to the consumer that it is the "Product of United States hogs." United States Health Inspection stamp and marking of packages for consignment abroad "Product of U.S. hogs" are inadequate.

A condition that leaves much to be desired is found with regard to bacon for home consumption. An advertisement of one of the abattoir companies makes an assertion not to be questioned that "not ten per cent. of the bacon eaten in Canada is perfect bacon."

The value of bacon and hams, dry salted pork, pork barrelled in brine and sausage imported into Canada from the United States during the fiscal year ended March 31st, 1924, according to the figures of the Dominion Bureau of Statistics, External Trade Branch, was \$2,159,048.

The following remark by General Gunn at the conference with the packers is important to those handling hogs:—"Throughout Denmark the hogs are driven carefully, using a special kind of whip which is a little leather flap, whereas here it is surprising the loss we sustain through bruising, and I think your Committee should dwell on that feature." It is estimated that the loss from hog bruising in Canada in a year is \$900,000.

BEEF CATTLE.

To maintain selling volume is the problem of the abattoirs and this has been difficult since the close of the war brought collapse in the export trade of chilled beef to England. The abattoirs contend producers would serve their own advantage by more regular supply and by shipping only animals suitable for the market. There is trouble in taking care of the peak cattle supply in Toronto; but on the other hand the expense of carrying animals over winter has substantially increased in recent years.

Education and co-operation may go far to lessen the loss of millions of dollars sustained in bruised and injured cattle. The animals are sometimes driven with heavy sticks; often they are brought to the railway station in small and inadequate racks; frequently yards and pens are badly constructed; usually some are knocked down and trampled through the handling of railway engines; and finally a proportion of injury is caused by horned cattle. All of this score counts against profit for the Ontario cattle raiser.

Ocean rates hold down export trade to Britain. It is true that 1924 shows the largest shipping of any year since the embargo was removed, running 80,000 head. But it is obvious that Ontario alone is capable of producing beef cattle in volume far exceeding the present export trade. A special bulletin of the Dominion Department of Agriculture in 1923 welcomed removal of the embargo

as a new order of things warranting official experiments in the shipment of steers to England. The experiments were intended to demonstrate to cattle raisers that live cattle realize considerably higher returns than chilled beef shipments. This Committee has followed shipments from Western Ontario to England conducted by men experienced in the cattle trade and the results showed that as many were unprofitable as profitable. One of the first witnesses before this Committee said:—

"I am the only farmer in a ten-mile area who has cattle for export in his barn. I have ninety-five acres and from fifty to fifty-five cattle. There are a hundred others at least who could feed and accommodate as many in the section. They have the barns. But they do not enter the trade because there is no profit in it. Ontario should be able to ship as many live cattle to England as does Ireland. It would mean prosperity to the Province. The market is in England for as many as we can send, no matter what they say about the dead meat trade. The business does not prosper because it is without the attraction of profit."

The potential power of Ontario to engage in the movement of live cattle to Britain cannot be fully appreciated because of existing influences. Mr. Shamberg, of New York, is the chief buyer for export. Mr. Shamberg's agents are in the Union Stock Yards, Toronto; in the office of the International Mercantile Marine at No. 1 Broadway, New York, and at the British ports. The Committee satisfied itself that the usefulness of the Canadian Government Merchant Marine is limited by the North Atlantic Freight Conference. It came to the conclusion that with his widespread power and influence Mr. Shamberg controls the profits of Ontario cattle raisers. He has inside information at all times by reason of which he can cancel optioned spaces or send his own cattle according to the trend of the market. The less optimistic in Ontario have been driven out and the industry is not what it should be.

The Dominion Minister of Agriculture at Winnipeg in August said:—

"Public sentiment is the only instrument that can be used by the people of Canada to obtain cheaper freight rates for the export of cattle to Great Britain, and even public sentiment may not be able to play upon the feelings of those who represent the Atlantic Shipping Conference. The using of the Canadian Mercantile Marine boats at cheaper rates is not practicable, because the five boats fitted up for carrying cattle are not big enough for cattle export trade of any volume, in fact, the five boats together only equal one good sized cattle carrier."

A necessary step in the investigation was to take the matter up with the Federal authorities. It was clearly the privilege of the Dominion Government to probe these rates. The following letter was received from the Deputy Minister of Agriculture in reply to an enquiry:—

"I have your letter of the 21st instant, with enquiry as to ocean space and carrying charges on Canadian cattle. In this connection I may say that I do not just know the details of the situation in England, but I understand the Department of Trade and Commerce has a man over there who is, I believe, attempting to effect some improvement in transportation rates for cattle. I do not, however, know what progress he has made.

"As to our efforts here, I regret to say that we do not seem to be meeting with very great success. We have been taking up the matter with shipping

agents in Montreal, attempting to induce them to lower their tariff, but they make the claim that the business is so small they are already losing money at the present rates. I have attempted to show them that so long as the rates are so high, the business is bound to be small, but it seems impossible to persuade them that lower rates would increase traffic and thus be as profitable to the ship owners as the present rates and at the same time be of very material benefit to Canada.

"Unfortunately, some of the boats that started in to carry cattle this year have, I hear, been laid off, and the shipping agents claim there is no money in the business and they would much rather be out of it than in it. You will see from this, therefore, that the situation is a very difficult one indeed. As to the future, I am unable to give any definite opinion at this time."—(August 22nd, 1924.)

Enquiry was extended to the Department of Trade and Commerce and the following reply received:—

"Acknowledging your letter to the Minister of the 25th instant, may I say that the Minister and our representative are still working on the matter regarding ocean space and cargo charges on Canadian cattle. There is no information to hand out until the investigation is completed. The Minister feels it would be unwise to furnish information until the matter is more settled."—(August 29th, 1924.)

Inasmuch as definite action by the Dominion Government was thus implied, the Committee thought it inadvisable to carry investigation further.

The Committee recommends that the Ontario Government strongly urge upon the Dominion Government full consideration of the interests and requirements of Ontario shippers in whatever Federal policy may be decided upon to secure reduction of ocean rates.

DAIRY CATTLE.

A praiseworthy interest is abroad among the owners of herds in regard to breeds, breeding and care of cattle. Practically unanimous dairying opinion favours elimination of scrub sires. In every county desire has been expressed by owners of herds for improved progeny. J. E. Jamieson, M.P.P., at Thornbury, said:—"I would like to see the Committee press upon the Department the improvement of our stock a little more than the Department is now doing."

Mr. Wilson Kline, Ridgeville:—

"No branch of farming has been the subject of more complaint as to reduced profits than has dairying. It will be conceded, I think, that less than 250 pounds butter fat per cow per annum yields no profit, that 300 pounds may yield a small profit, while substantial returns may be obtained above that figure. As there are a very considerable number of cows in all the dairy breeds yielding 400 pounds and upwards, it would appear that a general increase can be made in the average over the Province.

"The campaign against the scrub bull was not sufficient. The non-producing pure-bred must be eliminated as well.

"The present policy of the Breeders' Associations appears to be to make a market for the largest possible number of bulls. The result is that in many parts of the Province from two to four times as many bulls as are necessary are being used and the average returns show the result from using too many inferior sires. Permit me to point out that in the Island of Jersey very few herd sires are kept and nearly all are for general service. The herds are for the most part small, yet some of the finest individuals come from herds of less than ten and sometimes only three to five. Such results would be impossible in Ontario at present. The man who keeps a bull for service can afford under present conditions only a very ordinary one.

"I suggest an inspection of all sires kept for general service, as is now the rule regarding stallions. That not only the individual type and pedigree but the R.O.P. of the dam be considered. That non-producers be eliminated. The standard should be as high as possible without being impracticable. As a temporary measure to initiate the movement a grant might be made equal to the fee collected from the farmer. At the present time the farmer is not paying on the average a sufficient fee, but he is paying for all he receives."

The foregoing views are representative. Another suggestion heard in different dairying districts was expressed by Mr. E. H. Sills (North Fredericksburg), at Napanee:—

"The Department should take action to further community breeding. This is a Holstein section; let us have all Holsteins or endeavour here to induce dairy farmers to have one breed."

The Committee recommends that more attention be paid to the principle thus expressed. Community breeding works with maximum advantage in advancing the policy carried on by Federal and Provincial Departments of distributing pure-bred sires.

There is general endorsement of systematic scoring of milk yields and practical appreciation of the objects of such work in enabling owners to select, breed and feed according to the actual milk yields of their cows. Co-operation in this work between the Dominion and Provincial Departments is at present carried on to an extent, but official interest lags and seemingly would leave the work to the live stock owners, which would be impracticable. In Scotland milk recording is done by a trained official staff and the records are strictly on a public basis. The Agricultural Representatives have done well helping the Ontario dairy farmers with this work and are capable of rendering still more excellent service in the organization of local milk recording societies if the Departments supply more incentive. The progressive dairy farmers of Ontario are in the mind to welcome the ideal of the Scottish scheme which by an elastic plan would have every dairy herd included in public milk recording. The effect there has been remarkable on prices paid for good milk record cows. The opportunity of public sales in Ontario is steadily broadening with advancement of the dairy interests. In Northern Ontario frequently reiterated desire was expressed for public sales.

There is among breeders a growing conviction that prevention of bovine tuberculosis has not received the attention it merits. Research and experiment in this respect should go before the more costly policy of accrediting herds. Advice concerning preventive measures in the care of animals is needed and it rests with the Federal and Provincial Departments to shape methods in co-operation that will be of direct practical benefit to cattle owners in understanding the essential phases of nutrition, development and sanitary stabling.

STOCKERS AND FEEDERS.

Stockers and feeders constitute an important branch of cattle husbandry. The freight rate from stock yards to country points has been agitated for some years between the Eastern Canada Live Stock Union and the Canadian Freight Traffic Association. A reduction of twenty-five per cent. asked for by the Union had been refused by the Association and the Standing Committee on Agriculture (1924) recommended that the whole matter be investigated by this Committee. The ground had, however, been thoroughly gone over and the essential facts were all on record. Arrivals of cattle on the Toronto market and shipment out of feeders and stockers indicate that not more than fifteen per cent. of the arrivals were moved out again in 1922 and 1923 for further feeding. But this fifteen per cent. amounted to 60,000 head annually. Stress was placed on potential aid of rate reduction to volume of future business. Winnipeg furnished heavy increase following a rate cut on feeders from that market.

This Committee took the subject up with the railway authorities on several occasions and they made it clear that the reduction ordered in live stock rates in Canada when the Fordney tariff was in the making in the United States must satisfy Eastern Canada, although it was not denied that Toronto and Montreal are the only stock yard points in America where reduced charges are not allowed on feeders going back. The railways held that live stock had received more favourable consideration than any other class of traffic, being relatively lower when rates are compared with value. They contended that the facilities afforded by the Dominion Live Stock Branch for buying feeders in the West for Ontario might prove substantially more beneficial. Under this scheme a farmer in Eastern Canada is paid one way railway fare, berth and living expenses en route from his home to Winnipeg, Moose Jaw or Calgary on condition that he bring back with him one or more car loads of cattle to be fed on his own farm or on the farms of those for whom he has acted as agent in making the purchases. The cattle are purchased at a feeder show and sale at one of the Western points mentioned or from a range herd. In this connection the Committee has forwarded to the railways a definite suggestion concerning reduced freight rates on feeder cattle from the West to Ontario points. The proposal now under consideration by the railway companies should be pressed to a favourable decision.

SHEEP.

Sheep raising is somewhat neglected by Ontario farmers and statistics indicate decrease as to number and value since 1920. The national importance of the industry is realized, however, and the average farmer acknowledges the farm value of the small flock. There was shortage of lambs on the market toward the close of the year and prices were high as a rule. The Committee did not hear much complaint concerning dogs in Old Ontario. The farmers complained of the docking of \$2 on the market price of the buck lamb. By the packers this is represented as the only effective means of improving supply to conform to market demand. The consumer is held responsible for the relatively higher price of small lamb. If small legs and small chops are not on the market heavier meat will not be purchased. The packer is trying to please the consumer and the farmer does not concede the packer's standpoint. Discussion of the sheep-raising industry was held within narrow lines notwithstanding efforts to disclose its national features from the standpoint of economical production and benefit

to Ontario agriculture, both in respect to weed control and soil enrichment. It is obvious that in breeding methods the average farmer cannot follow the caprices of nice taste in lamb. The ground was taken by the packers that crossing back with small breeds now would keep our sheep from becoming oversized. Education in Ontario is evidently needed to spread knowledge among farmers generally as to the commercial value of mutton and wool. Community breeding with fewer breeds looking to the development of outstanding Ontario flocks will help in restoring the position which this branch of our live stock industry formerly held. Meat and wool of the Muskoka sheep command deserved preference. The local sheep industry should be more definitely fostered.

SELLING AND BUYING ORGANIZATIONS.

In the marketing of cattle locally or in England, as well as in the handling of the feeder problem, co-operation will have to be depended upon for future headway. This Committee has secured much valuable data from the United States regarding co-operative systems and increase of profits through co-operative selling. The great desideratum is the substitution of an orderly marketing programme for the present process where individuals with limited experience and uncertain knowledge of marketing are in a selling competition one with another. Co-operative organizations of live stock producers realize thoroughly the necessity of securing a definite volume of business for terminal markets and local sales to packers. A contract is regarded as the only assurance of controlling definite volume. Director of Live Stock Marketing of the Ohio Farm Bureau Federation explains an approved marketing agreement concerning which he says:

"In order to better understand the use of our live stock contract in connection with the type of organization we have developed in Ohio, please be advised that our County Live Stock Associations are organized under the co-operative marketing law of this State, which is the co-operative law uniform in a number of the States, that our associations are organized so as to serve areas equivalent to a county, that these county associations are in turn federated into the Ohio Live Stock Co-operative Association, which along with other commodity associations of this State has a working agreement with or is federated through the Ohio Farm Bureau Federation to provide a solidarity of agricultural effort.

"The individual live stock contract runs from the individual to his county association, hence from the county to the state association to which all contracts run. This contract prevents competition between counties in a given area, provides co-operation and also the working out of an intelligent plan of distribution.

"The live stock co-operative machinery which we have established and in operation now are the County Live Stock Associations, County Terminal Sales Agencies and the Eastern States Company, which moves the stock from local or terminal points direct to the packer."

The California Cattlemen's Association contract is similar in intention and contains a proviso that it is ineffective unless the directors of the Association declare the number of contracts executed sufficient to justify the aims in view. The live stock shipping association is held to be the simplest of the various co-operative enterprises created by the farmer to assist him in his marketing activities. Economies from large volume of business in Ontario would undoubtedly help the farmer.

Special attention was given complaints concerning commission and feed charges at the Union Stock Yards. Evidence was taken locally and enquiry made among Live Stock Associations and Exchanges at several markets of the United States. The award of arbitrators appointed by the United States Secretary of Agriculture contained practical information and suggestions. Over there, as here, economic conditions confronting live stock producers in recent years have developed a situation in regard to marketing costs of a somewhat critical nature. The Committee naturally approached the subject with practical appreciation of this condition, also of necessity for maintaining efficient service.

Co-operation by the Dominion Live Stock Commissioner was afforded from the outset. At a conference with the Committee on September 3rd he fully explained his supervision of the several stock yards of Canada under the provisions of the Live Stock and Live Stock Products Act and Regulations and declared that administration of the Dominion law by him has secured for Canada supervision of stock yard activities similar to the authority exercised by law in the United States. He pointed out that receipts at American stock yards are greater than in Canada, affording United States commission men and stock yard companies opportunity to trade at lower costs than here. On the whole charges in Canada are on a lower scale. The Committee quotes this statement after having verified it with the purpose of maintaining public confidence in the system. A further statement of the Commissioner is as follows:—

“The moment public confidence is not granted there is only one alternative for the Government to adopt, namely, to follow the system that is now being taken and followed in the United States, to require by investigation the financial conditions of the several stock yard companies and to review all the books of the commission firms so that the information to be obtained in that way be made public property. It now is not public property. It is the property of the Dominion Government, given in confidence, and our decision is based in that fashion. I believe as a result of investigations that have been conducted that a great deal of information will be given voluntarily by the companies, it being stated they have nothing to fear in disclosing their position.”

No reduction has been made in the commission charge of \$17, which is the same as the Chicago charge for a car of twenty head of cattle. In Buffalo the charge is \$20 per car. It is right to acknowledge that considerable beneficial service to producers is performed by market agencies in addition to the selling and accounting for live stock.

The market agencies carry many risks and necessarily are responsible financially to the shipper. The factor of incidental expense in the conduct of their business is not inconsiderable. The Committee realizes both the extent of the service afforded for the sale charge on a car of cattle and the higher costs of labour since that charge was increased from \$10, but endorses the opinion expressed by producers at many of its public sessions that the commission fee, all things considered, is too high and that comparison with the United States is not to be regarded as the final answer to reasonable complaint heard. Nor can any possible injury follow to the market service if financial statements of the stock yards are made public by the Dominion Minister of Agriculture. Government supervision in every other direction involves public information concerning the business regulated and an exception in the case of the stock yards needs some explanation.

With regard to the price paid for feed the Dominion Live Stock Commissioner was not slow to admit that the charge at the Toronto Stock Yards, which had remained at the war figure of \$42 a ton, was far too high. An immediate reduction followed the transmission through this Committee of complaints in this regard, and as the volume of complaint piled up more substantial modifications were ordered till the price came down to \$30 a ton. Poor quality of hay supplied formed an important feature of complaint substantiated by the Committee. Assurance has been given that this condition has been bettered.

POULTRY AND EGGS.

Trade in eggs has assumed international lines. Competition inevitably developed egg grading. Canada set the world's highest standard in this respect, demanding classification according to weight, size of the internal air space, transparency of the yolk, consistency of the white and external cleanliness. The egg inspectors find difficulty in enforcing and dealers in complying with so complex a classification. Notwithstanding this, there is general approval of the principle of egg grading. Many proposals have been made to this Committee for modifying the regulations, the suggestion most favoured being classification according to internal and external quality and sale by weight. The Canadian Poultry Record Association has taken on a pure-bred, true-to-type and egg-laying record campaign which shows far-reaching influence. Egg circles, co-operative producing organizations and even storage houses are all encouraging farmers by educational means and various ideas in marketing.

Strong opposition is shown to the importation of low-priced, low-grade baby chicks from the United States. This is believed to be highly injurious to the rapidly developing poultry industry and to Canada. Tariff regulations cannot adequately prevent the business and it should be prohibited. United States and other foreign eggs are regularly dumped upon Canada in February and March in large quantities. The remedy for this is one of Dominion concern.

MARKETING.

Having examined Ontario production in the foregoing lines, the Committee recognizes widespread need for education in the grading of these products—grade to follow the product from producer to consumer. Grading interests producers, dealers, and consumers and affords a basis of conscientious business relationship among them. The value of grading has been demonstrated in other countries and any new system of marketing adopted here must have this basis. All the work cannot be left to the Federal Department of Agriculture. An energetic Provincial Markets Branch whose scope and activities would include a strong campaign of education in grading among producers, dealers and consumers would help in overcoming many of the difficulties in the way of better marketing. Without definite grades and education of the public in these essentials, co-operative marketing cannot succeed.

Much evidence has been examined regarding co-operative marketing. Expert opinion has been consulted and special reports obtained from operating associations, both domestic and foreign. In Denmark statutory incorporation

has never been resorted to nor have the voluntary co-operative organizations, though born there of agricultural depression and adversity, received financial aid from the State, with the exception of the breeding associations for live stock improvement. Danish law and Danish co-operative responsibility combine in furnishing guarantees of export products from the Kingdom—butter, bacon, eggs and some skim milk cheese. Co-operation having saved and reconstructed the agricultural industry of the Danish people, they are one with the Government in upholding their system. When the standard of living of the Danish farmer is taken account of, however, it becomes apparent that Ontario must work upon a system suited for Canadians.

In the United States Federal and State Governments are engaged in collecting and distributing information concerning legal, economic and association phases of agricultural co-operation. The movement over there adheres strictly to the well recognized plan of legally incorporated organization. Evidence collected from many quarters in the United States warrants the opinion that successful co-operation depends on the cost of conducting associations. As a rule decreases in marketing costs are being effected wherever directorates of co-operative associations have divested themselves of the tutelage of professional promoters, and, under helpful Government supervision, are following orderly processes of marketing staple crops. Government and the farming community have endorsed the co-operative marketing system as the best means of stabilizing agriculture and both are earnestly studying their duties and responsibilities in this new field of enterprise.

Co-operative organizations in Ontario do not make annual returns as such to the Department of Agriculture and do not differ in legal character from the ordinary limited liability companies. The co-operative movement to a considerable degree is carried on by selling agencies operating upon a contract or agreement with subscribers who in number do not always constitute a majority of the producers of a particular commodity. The manager of such an agency either receives a commission or a salary, and the service rendered generally includes educational work, supervision, grading and inspection. Competition of one co-operative against another involves financial overburden sometimes too heavy for the undertaking. Examples of success in face of limited education of patrons and diffidence of non-subscribers are not wanting, although complaint is general that overhead is out of proportion to volume of business. Competent management is the outstanding essential.

In numerous replies to special questions submitted by this Committee to co-operative associations of growers in the United States and Canada there is one point of agreement. Co-operative enterprise must have large volume of business if management is to incur the expenditure of publicity. Opponents of co-operation argue that this system of marketing cannot succeed in Ontario unless prepared to advertise on the huge scale of leading United States growers' associations. Advertising is not essential to the success of co-operative marketing. With dependable grading and volume, co-operation will surmount all the difficulties in its way.

Canada's membership in the British family is to her advantage in seeking export markets. Her geographical advantage was spoken of by members of the New Zealand Dairy Produce Control Board with whom the Committee held a

conference in June. As the result of this conference and of careful consideration of all phases of the export problem this Committee feels justified in reporting as its main recommendation the creation of a Canadian National Export Marketing Commission. The New Zealand Board cannot be taken as the model in this respect because in the main branches of farm industry and in the country itself different conditions are presented. But the aim is one and the same, viz., development of a uniform marketing system for national products in volume. The agricultural products of the Provinces of this Dominion are at a disadvantage in competitive markets because they are not brought together and shipped in volume.

Co-operative progress in the Western Provinces, Ontario, Quebec and the Maritime Provinces demands sound business guidance in the trade policies of the Dominion through the coming years. The present time is highly opportune for bringing forward a new trade policy calculated to serve Canada as New Zealand expects to be served by the Dairy Produce Control Board, upon which far-reaching powers have been conferred. The attitude of Great Britain challenges immediate action. Recent British proposals to establish a purchasing department for supplies of food and raw materials point to special Canadian benefit from Imperial trade. The plan has no partisan features and is endorsed by financial experts. Primarily it promises better business for Canadian agricultural producers. A business proposition of this kind should further the cause of co-operative development in the different Provinces—in live stock, dairy products, fruit, etc. Grain, by reason of volume from the Western Provinces, would be a distinct export.

Danish producers ship to Britain twice a week on reports of market conditions furnished by their own co-operative wholesale selling agencies in England. By availing of Halifax transportation facilities and by establishing storage at that port, a Canadian National Export Marketing Commission could enter regularly a weekly market in England. Halifax with fast ocean transportation is but four days removed from Liverpool. A Halifax to Liverpool year round service with adequate storage facilities at the Canadian terminal supplied by Canadian co-operative organizations would revolutionize agriculture. In Ontario it would develop the meat trade, stimulate winter dairying, improve fruit growing and enable agriculture to regard without concern New Zealand competition under the Dairy Produce Control Board, or export features of the co-operative movement in the United States. Co-operative organizations in all the provinces could sustain year round volume in the British market, with readiness at all times to study and enter American and European markets as immediate conditions might attract. Whilst new and much more advantageous handling of the exportable products of agriculture is required to meet competition of other countries co-operatively organized, a National Export Marketing Commission would offer advantage to the manufacturers of Canada.

To make a National Export Marketing Commission representative of co-operative organizations, co-operation must become inter-provincial in scope. A Central Co-operative Council representing all the provinces is not only a feasible plan, but is already an accomplished fact. The Canadian Council of Agriculture would be an effective agency in linking up the co-operative bodies of the different provinces and in realizing Dominion wide uniform standards. Its representation in a National Export Marketing Commission would be a

forward stride in co-operation, bringing Canadian agriculture to the threshold of a great future. The Federal Government should prepare to meet the Provinces co-operatively linked up to furnish volume of export trade. In cheese and bacon Ontario is the largest feeder of the Montreal agencies operating the present export system. Rates are imposed by New York upon Canadian Government ships which exert no beneficial influence upon Canadian trade or upon the problem of ocean transport.

In the opinion of this Committee the Government of Ontario should immediately endeavour to obtain co-operation of the Dominion and other Provincial Governments to meet any British plan of buying the export surpluses. Action in Canada should be entrusted to a National Export Marketing Commission on which Federal and Provincial Governments, co-operative organizations and manufacturing interests would have representation.

EDUCATION.

At many meetings of the Committee and in widely separated sections repeated reference was made to the high cost of education in rural districts. It was asserted that the chief factors responsible are the number of schools with small attendance and the system of administration by school sections. The following evidence is typical:—

"In this county there are schools of three, four and five pupils."

"There are two school sections with an attendance of two each."

Witness called attention to the existence of schools with five or six pupils having a teacher paid \$900.

"There are two schools in a township with a total enrolment of ten. The cost is too great and the remedy is a larger school section, making the township the unit. The chief item of expenditure in each school section is the teacher's salary."

"Organization for each district in a municipality is wasteful and inefficient. There are schools with an attendance of two where the salary is \$900 and the teacher can look out and see another school. We should have the Township School Board."

"School taxes are an extremely heavy load on us. Our system of school sections and their administration by a local board is a waste of money. The school affairs of each township should be administered by a Board of Trustees elected at the time of the municipal elections. This step would increase the efficiency of teachers, would reduce the cost, and would equalize the assessment all over the township so that a farmer who lived on the north side of a road would not be paying eight or ten mills more than the farmer on the south of the road for the education of his children in that district."

"In this township there are twenty-five school sections. The rates vary from one mill to fourteen mills, in addition to debenture rates that are charges specially against any school section making improvements. For instance, School Section 18, where I reside, had a levy of 14.8 mills on the dollar. School Section 19 adjoining on the east has a levy of 5.8 mills. School Section 23

adjoining on the north has a levy of 5.2 mills. I think this is sufficient to show the unjust system of taxation for educational purposes in a country where we are supposed to have equal rights for all and special privileges for none. The only remedy for this state of affairs is to make the School Act the same for rural municipalities as it now exists in the urban centres, namely, one school board for the municipality with a uniform rate to meet all school requirements."

This Committee recommends that the Department of Education consider reorganization.

At all the meetings the broad claim advanced was that education is not applicable to problems in actual life. The following extracts of evidence are typical:—

"Not one finger is being lifted to teach the boys and girls the value of good farming. Children are being taught away from the land."

"Education is not practical and tends to reflect on farming as an occupation."

"Education should be founded on real life purpose."

This complaint is fairly covered in the following sentence from Department of Education pamphlet, "Courses of Study in Public and Separate Schools, 1924."—"The agricultural topics of the supplementary course are not to be regarded as a means of teaching the pupil to carry on farming operations, but rather as a means of giving him an elementary knowledge of the most important scientific principles underlying the processes and activities of the farm."

The problem has been carefully studied by the Advisory Committee of the Ontario Agricultural College Alumni Association, and at a conference with this Committee recommendations were submitted to the following effect:—

Matter and pictures relating to agriculture in school textbooks;

Agricultural charts and pictures as part of school equipment;

Courses for teachers that will enable them to present agriculture to the child in an attractive manner;

Appointment of qualified men to visit rural schools and help the teacher with matters of agricultural interest, including school fairs;

Provision for children who have left the public school and do not go on to high school by means of continuation schools, agricultural high schools, and courses in agriculture conducted by Representatives of the Ontario Department of Agriculture, giving special attention to those who cannot attend school for more than five months of the year.

This Committee recommends that the Departments of Education and Agriculture co-operate to the fullest extent in extending agricultural education.

Many witnesses have stated that more continuation schools are a necessity:—

"We should have a continuation school in each township. Every farm boy or girl should be at most five or six miles from a continuation school."

"Education should be improved in rural schools so that it would not be necessary to send the children away from home to a high school."

"If the Government, by moral suasion and actual aid, can establish more continuation schools, such assistance, especially with the school buildings, will be enough to turn the scale and allow the rural boys and girls to continue their educational period at home."

The Department of Education has adopted Regulations for the establishment of Agricultural and Household Science Departments in continuation schools, high schools and collegiate institutes. This Committee is of the opinion that continuation schools established in rural communities are best adapted to meet the requirement of a vocational school in the agricultural sense.

In regard to the Ontario Agricultural College the following evidence is typical:—

"Why should not the Ontario Agricultural College again accept the young man with less academic training and after four years turn out a skilled man to make his contribution to agriculture at home and abroad. Graduates requiring more might then attend universities and specialize."

In this connection the Advisory Committee of the O.A.C. Alumni presented the following suggestions to the Committee:—

"That, in order to encourage farm boys to enter the courses, regulations governing entrance requirements be made as simple as possible so that those who have not had the opportunity of securing matriculation standing should not be barred;

"That no tuition fee be charged for students resident in Ontario during the first two years, and that the cost of board should not exceed \$3.00 per week;

"That consideration be given to the question of scholarships for young men taking part in competitions conducted by Agricultural Representatives."

This Committee recommends that the above suggestions be given careful consideration by the Department of Agriculture, especially the recommendation in regard to entrance requirements.

Macdonald Institute is intended to aid women for whom farm life has attraction. The Committee recommends that rural young women be encouraged to take advantage of its facilities to a greater extent, and that its instruction be designed to meet their needs. The Normal Course offers opportunities to those who wish to take up professional careers, and a larger proportion of these graduates should be utilized in Ontario in teaching girls in rural districts through continuation schools, short courses, etc.

By resident teaching the Ontario Agricultural College does not and cannot reach out to all the rural young men of the Province, but prosecution of scientific work looking to increased agricultural production would in large measure justify the expenditure upon the College. Sir John E. Russell, in his presidential address to the Agricultural Section of the British Association for the Advancement of Science in Toronto in August, said the purpose behind world-wide interest in agricultural science is "to discover the principles underlying the great facts of agriculture and to put the knowledge thus gained into a form in which it can be used by teachers, experts and farmers for the upraising of country

life and the improvement of the standards of farming." By extension work, such as the Agricultural Representatives are engaged in, scientific knowledge is being taken to the average farmer of Ontario from the College and it is for the farmer to make use of this knowledge for profit. Rural opinion in every section of the Province upholds the Agricultural Representatives, whose work is direct, practical and helpful. Their influence extends to every branch of farming. The only complaint is that there are not more of them. The Committee recommends the appointment of additional Representatives in centres where evidence taken by the Committee and submitted to the Department shows need for such appointment.

The Committee is of opinion that the principles underlying the best agricultural practice and the financial profits to be derived therefrom can be most effectively brought to the attention of the farmers through the Agricultural Representatives by means of demonstrations on individual farms which will serve as lessons to the surrounding community. The Committee also believes that this can be worked out most economically and efficiently along the lines of the demonstration fields of the Province of Quebec.

IMMIGRATION AND FARM LABOUR.

Careful attention has been given to this subject. A report to the Committee from the Ontario Director of Colonization describes applied methods:—(July 28th, 1924)

"From time to time personally conducted parties of emigrants are arranged, each under the care of an experienced traveller, and the party is looked after throughout the entire journey. This applies to farm hands, families and domestics. The selecting of suitable people that are likely to make a success in our Province is as carefully done as possible. The London office works in hearty co-operation with the Colonization and Immigration Branch here. In the case of domestic servants and farm labourers full particulars of each individual settler are sent to our office here in advance, so that when the newcomers arrive their requirements are understood and a situation easily found.

"All immigrant trains are met in Toronto by an Ontario Government officer. They are advised on the question of luggage and accommodation and as soon as they are booked for a situation on a farm they are guided in the purchase of tickets and checking of baggage for their further short journey by rail.

"We have had for a good many years an assisted passage scheme, the maximum of which is third class passage, rail fare included, for experienced farm hands, families and competent domestic servants, which has worked out very satisfactorily. Money for this purpose is now advanced by the Dominion Department of Immigration and Colonization and the Imperial Government, each paying half, our Department agreeing to use the machinery of their office for collecting same. Formerly this money was advanced by the Ontario Government until the last few years, when the Imperial Government put up fifty per cent.

"In reference to domestic help for the farms, would say that we have done everything in our power to try and induce domestics to go on farms, but must confess that we have had very little success."

Opinion proffered as to the effect of these methods upon our agricultural industry may be quoted:—

Quality—

"Too many have had no farm experience."

"Fairly good type, but they do not want to stay on the farm."

"Not enough genuine farm labourers."

"The only immigrants we get are boys and girls from the Homes. Generally speaking, they are satisfactory."

"We have ten immigrants in our neighbourhood this year who are giving satisfaction; they had experience in farming."

"I see in this room several successful farmers who came to this country as immigrants a few years ago."

Information and Selection:—

"The efforts of Agents should be directed towards securing a supply of farm labourers who have been fully and truthfully advised as to conditions the immigrant may expect to meet in this Province."

"Too many never get to the farm."

"Immigration should be selected on the other side."

"Farm labour should be selected by a practical man."

"Something should be done to send part of the help that is coming to the farmer's wife."

"The right class of immigrants can be got to come to Canada."

"To make Canadian citizens a closer discrimination is required."

"The hired man of to-day will be the owner of to-morrow. If we are not careful in the selection of our immigration we will not improve our citizenship or our manner of living. If you can get select farm labour, bring it from the British Islands. If you bring a strange class of immigrants you will break up the citizenship unity of this Province. The change is already making headway."

Conditions and Wages:—

"It would be better if they were hired for the year."

"If we could get a man at reasonable wages we would keep him the year round."

"They do not want to stay on the farm at the wages we can afford to pay."

"Lecturers tell them of good wages in Canada and they demand the highest for unskilled work."

"They are lost before they become profitable labourers."

"The farmer must himself shorten the hours of labour."

"The employer in Ontario should be educated so that he will understand that his obligation to and agreement with the immigrant must be fully carried out."

Policy:—

"It is absolutely useless to continue the system of immigration of the last twenty years."

"Our policy is like pouring water into a leaky vessel."

"The promotion of immigration by steamship companies and other such agencies should be reduced to the lowest possible minimum."

"Would it not be better to help Canadian boys who understand farming in this country to take up land than expend it on getting immigrants who bring no benefit to the land."

It is the opinion of the Committee that real co-operation between Federal and Provincial authorities is essential, both abroad and in Canada; that more care should be taken to see that emigrants are fully informed as to conditions they will meet in this Province; that a better organized plan of guidance and supervision for the first year at least is demanded; that immigrants already in the Province be given the first opportunity and offered every facility to return to farming; that co-operation among farmers is applicable to the labour problem; that the same encouragement, opportunities and facilities be extended by the Federal and Provincial Governments to Canadian citizens as to immigrants to take up farming in Ontario.

A report received January 20th, 1925, from the Federal Department of Immigration and Colonization concerns the later policy of the Department for bringing out more immigrants from Continental Europe and the British Isles. The report says:—

"The policy comprises a distinct understanding with the several Continental countries that we will accept only land workers who are prepared to work as such in Canada, either as farm labourers or who are coming to purchase farms. We have offered our hearty co-operation as regards the latter when the several governments will submit particulars of any groups who are understood to be ready to come. We are also agreeing to certain colonization work in special districts of Canada, according to the policy of the Colonization Association or Society concerned, but it is all under our own supervision and in all cases the selection of the type of people to be brought out rests with the Department.

"As regards the agreement with the British Government for the settlement of British immigrants, I presume you refer to the 3,000 family scheme. This arrangement was completed by my Minister with the Imperial authorities upon the occasion of his last visit to the British Isles and under its terms the British Government is advancing \$4,500,000 to be supplied in the way of loans to bona fide agricultural families, actually resident in the British Isles and who are coming to Canada to follow farm employment. The loans are fixed according to the actual needs of the families and are repayable over a period of twenty-five years. These families are to be established on farms now owned by the Canadian Government in the various Provinces, and the selection of the families rests with the Department, for which purpose our Land Settlement Branch already has a number of officers at work in Great Britain. As stated, the incoming families will be placed from one end of Canada to the other, and I may add that the place of settlement will be, as far as possible, in accordance with their own desires.

"Concerning the second paragraph of your letter, may I say there is no indiscriminate co-operation by any railway or institution with us. Whatever may be in evidence by the Canadian National Railways for any section of Canada as concerns colonization must, of necessity, have the approval of the Department with respect to the type and character of the immigrant, as well as our review of the proposed settlement terms, because we will not allow any other conditions than those which give the incoming settler a fair fighting chance of success.

"The whole of our purpose is to secure people for settlement on the land. These are the only ones we invite, either as labourers or farmers. We want the family unit and all of our work is in this direction. Further, we are helping in every way we can, through our directional system, the placing of immigrants of

this kind to the best advantage and are only accepting those who come to us with assured employment as labourers for farm work and will only direct through our Land Settlement Branch and the Advisory Boards throughout Canada those who seek our assistance as to the purchase of lands for farming purposes."

THE FARM HOME.

POPULATION.

A resolution from the 1924 Annual Convention of the United Farmers of Ontario transmitted to the Committee asserts that the tendency to leave the Ontario farm constitutes one of the alarming problems of the day. The same opinion was heard at several public sessions of the Committee. Two considered statements, in part, bearing on this question—one by Col. W. J. Brown of London and the other by President Reynolds of the O.A.C.—will be found in the Appendix.

The census of 1921 gave the rural population of Ontario as 41.8 per cent. and the urban population 58.2 per cent., the compared distributions showing respective numerical increases in the decade 1911-21 of 27,576 and 378,794. According to the 1917 Report of Governor Whitman's Commission the exodus in New York State from the farms to the cities was a real problem. The Report said:—"It is all important that the State do all it properly can to arrest the tide which is now flowing towards the cities in ever increasing numbers and to induce men of ability to seek rural life under conditions which will insure a fair remuneration for their services." The Anderson Report to Washington (1921) made this statement:—"Well being in the country must be enhanced not by tearing down well being in the cities but by increasing the comforts and satisfactions in rural life. This cannot be done without increasing purchasing power on our farms as well as in our towns and cities." Upon the information this Committee has gathered the opinion is based that the movement which on the one hand is called "rural depopulation" and on the other "adjustment of population" presents no other problem to the Legislature and Government of Ontario than recourse to sound measures looking to the advancement of country life, but not at the expense of urban life. Constructive suggestions have been made regarding advancement of country life in the spirit of the Anderson Report, to which one witness called direct attention.

ELECTRIC SERVICE.

The question, "Should electric service be carried to the farms of Ontario as one of the modern necessities?" has had more attentive consideration and has been the subject of more discussion at our public sessions than any other under enquiry. The drudgery of women's work on the farm has been stressed by farmers ahead of their own special needs. The farmer is looking into the electrical field with hope that impending achievements in this banner Province will witness his participation in all advantages of Hydro on terms of approximate equality with the urban user. At the Brampton session Major Kennedy, M.P.P., presented the rural Hydro problem as regarded by the majority of farmers:—

"You know that after the farmer gets the Hydro at his gate he is under a tremendous further cost. Perhaps \$800 will put it into his house and barn.

As the farmers must use electricity, a way should be found by subsidy or other means in the knowledge of the Government and the Hydro-Electric Commission to reduce that cost of \$800 to say \$250. Wherever the money is to be taken from, whether out of the general funds or otherwise, the farmer insists on getting electricity at a price that he can meet. I think the expense could possibly be cut down and I hope the Engineers of the Commission will give attention to the subject. You will see why the assistance should be given the farmers when I remind you that it is good for this country that the farmers in our rural communities live far apart. In France they live in little villages and go out to their fields from these villages. It is good for this country that our farmers do not live on that plan. If they did, Hydro could be brought to them at less cost, practically at city cost."

This manner of presentation of the Hydro problem turns entirely upon cost. As the rural point of view it finds support in the Hydro policy of the Province heretofore and from the practice of other countries where Government assistance is either a matter of bonusing or making loans to farmer companies. Varying conditions are encountered over the Province and no single locality has exactly the same cost problem as another. The Government and the Hydro-Electric Power Commission are therefore confronted with a many-sided Province-wide demand for rural distribution of electricity. The Committee has gone to the Commission for information concerning power problems in vicinities hundreds of miles apart. The reports made by the Commission are on file for the information of Members of the House or others.

As a result of conferences held with the Chairman and Engineers of the Hydro-Electric Power Commission, the Committee reports at the outset a public-spirited attitude towards the problem of farm service on the part of these officials. It has been pointed out that the Commission has invariably done everything possible to facilitate the distribution of information to all interested in existing and prospective power districts. Requests for meetings have been promptly acceded to, thereby getting the necessary information before those concerned about methods of procedure to secure a supply of electric power. Such information is of public consequence when the advantages of electric power to the farmer are fully considered. Economy of labour comes first. Facility for doing work inside by available power when weather is bad, and actual saving of help are features testified to by those in different parts of the Province who now have service. Electricity means increase of the output of the farms in many ways; it means better living conditions for the people and for the animals, shortening the period of time assigned to certain work and a saving in the physical effort of those performing work in the barn as well as in the home.

The Committee found some lack of exact knowledge as to conditions under which rural service may be secured. To meet this need the following information from the Commission is made part of this Report:—

1. Arrangements for rights-of-way for transmission lines, where the lines are not constructed on highways, are made with the owners of the property through which the lines run. The Commission's representatives have a full knowledge of the procedure necessary to be followed under the Power Commission Act. The Power Commission Act does not provide for arrangements whereby the farmer may obtain a reduction in his service charge as part payment for right-of-way transmission line through his property.

2. The Power Commission Act specifically provides the conditions under which power is to be supplied to urban municipalities as well as rural districts. Service is supplied at cost in both cases and if a sufficient demand is not obtained to meet cost in the case of the urban municipality service is not supplied until sufficient revenue to meet cost has been guaranteed. The same conditions apply to rural districts. The one outstanding difference between service to urban centres and rural districts is that in the cost of service to rural districts only one-half the capital is included in arriving at the cost, the other half being paid out of the General Fund of the Province. During the past two years only fifteen municipalities have been added to the various systems, whereas in the same period of time contracts have been signed with eighty-seven townships. In the same period approximately 458 meetings have been attended by the Commission's representatives, where the method of securing power in rural districts has been explained in detail and arrangements made whereby contracts might be entered into by the rural consumers in the district represented at these meetings through committees formed.

3. In supplying power in any district the Commission endeavours to arrange for sufficient to take care of the requirements of the district not only as regards its present requirements but also to take care of future growth for a reasonable length of time. It is not economical to develop small water powers and transmit power from these developments long distances to the points where the power is required, and economical conditions demand that the Commission obtain power at the least possible cost of development. It is cheaper as a rule to install larger developments first and transmit power from these to a number of small municipalities than to develop a number of smaller developments with a corresponding increase in the cost per horsepower to supply the various districts. An instance quoted is Jones Falls. Jones Falls is located approximately twenty-five to thirty miles from the nearest point where the power (approximately 1,000 horsepower) could be used. The expensive development, long transmission line and small amount of power available at the site does not make it an economical proposition under present conditions.

4. At the time the 1920 amendment to the Rural Power Commission Act was made the Commission was supplying a few farmers in districts immediately adjacent to urban municipalities that were supplied under contracts with the Commission. Power was supplied to these few fortunately situated rural consumers at very low rates based on conditions existing in the district in which these farmers were located. At the request of the farmers themselves a new system was introduced, that is, the Rural Power District Scheme. Prior to this time it had been demonstrated that power could not be supplied economically to townships as units as the boundaries of the townships did not bear any relation whatever to the source of supply of the current available, and it was decided to divide the Province into areas or zones known as Rural Power Districts, the boundaries of which are determined by the economical distance of transmission of power from existing centres or centres to be established and also on the characteristics of the district to be supplied. This arrangement has proved to be very satisfactory and appears to be working out to the benefit of the farmers of the Province.

5. Prior to the introduction of the present method of supplying power to rural customers under the Rural Power District Scheme, superseding the former arrangement under which power was supplied through townships as individual

units, lines were constructed in a number of townships to serve a few favourably located consumers, where rates had been fixed on the basis of the low cost of lines constructed prior to the war. Later, when the cost of line construction had advanced over 100 per cent. and when other consumers not so favourably situated in the same township wished to obtain service, the consumers already receiving service objected to having their rates increased to the average cost of all service in the township, including the original services and the proposed new services, with the result that the old consumers are now being served at rates which are below the average cost for the township and new consumers in the township can only obtain service by paying rates considerably higher than the original rates.

6. In regard to the question whether it is feasible to permit a group of farmers to make agreements with municipalities or by way of individual contracts in harmony with the municipal term contracts, the answer is that this was the condition that existed in a number of sections adjoining urban municipalities at the time the Rural Power District Scheme was inaugurated, viz., a group of farmers making agreements with a municipality for service at low rates on account of their favourable location as regards power supply and creating a condition that prevented less favourably situated farmers from securing service at all.

7. In every district where rural lines are constructed the Commission endeavours to use all the local labour that can be obtained from the ratepayers in the district. Local labour is hired, where possible, for the hauling and erecting of poles and for the digging of holes. During summer months when lines can be constructed farmers are usually engaged in their work and are not free to assist in the construction of rural lines. It has been the general experience that lines constructed with as much labour as possible supplied by farmers in the district are not any less costly than lines constructed with labour obtained outside the district, as the rate of wage paid in each case is the same. It must be remembered that there is much expert line work that farmers are not capable of doing, such as climbing poles, stringing wire and making electrical connections, and for this work it is always necessary to bring in trained linemen.

8. In a number of Rural Power Districts operated by the Commission where rural offices have been established the Commission has arranged for a Supply Department, where farmers in the district can obtain their supplies at the prevailing resale price fixed by the manufacturers of the articles sold. Farmers in any district could arrange to run a co-operative electric supply shop provided they are willing to finance, manage and operate the same. Electric supplies are sold by practically all electric supply houses at the same resale price, which is fixed by the manufacturers' association.

9. It is the practice of the Commission, wherever possible, to make use of all existing pole lines to the safe limit of their capacity. In connection with this, the height of the pole must be taken into consideration of the pole line in question, voltage of the high tension line, spacing of poles, character of country, number of trees, foreign lines, telephone lines, age of poles, weather conditions of the district, etc. If permission has been refused in any locality to install a rural line on an existing high tension line, conditions have been such as not to warrant additional lines on the poles in question.

10. In regard to the question, "Is the twenty-year contract for reserve of three horsepower the best way of dealing with farm electric problems that vary in the case of one farm and another and on the same farm from time to time?" the Commission endeavours to have the service charge as near as possible on the basis of the length of line it is necessary to construct to serve each class. In arriving at these classes the Commission estimated from knowledge of the uses of current made by the various classes of rural consumers that the average farmer who did not use his service for lighting alone would require approximately three horsepower as a minimum for his power uses. In calculating rates for rural consumers the Commission estimated on a minimum of three Class 3 farm contracts per mile of lines constructed, or the equivalent. The service charge to the various classes has been fixed on this basis and rural lines are not constructed by the Commission unless sufficient rural contracts have first been obtained on this basis to meet the cost of service. The service charge includes interest on a share of fifty per cent. of the capital expended to serve each customer, sinking fund necessary to retire this amount of capital in twenty years, a renewal fund and maintenance and operation of the lines and system constructed within the Rural Power District. All other charges for lines constructed to serve Rural Power Districts outside of the boundaries of the district itself are included in the cost of power supplied to the Rural Power District in a similar manner to the charges for power supplied to urban centres.

11. It is not feasible under present conditions at the beginning of operation in a new district to lower the service charge to Class 3 rural consumers to \$40 per year where there are only three consumers per mile in the Rural Power District. It is possible, however, that after a district has become well established, provided difficulties in constructing lines have not been more than such as are usually encountered and on the basis of which maximum rates have been prepared, or where the equivalent number of consumers in the district has exceeded three Class 3 consumers per mile of line constructed, that the service charge to Class 3 rural consumers in such districts may be reduced as low or perhaps lower than \$40 per customer per year; but where so many uncertain factors enter into the cost of supplying service to rural consumers at the commencement of operation it is not advisable to submit rates lower than the maximum to the farmers for signature.

12. The privileges given rural power users by the present system, under a Rural Power Contract, cover both domestic and power uses, whereas in urban municipalities these are divided into two classes. The combining of the two into one works out to the advantage of the rural user in the matter of service charge as well as consumption cost. He is permitted to use his electric power supply for lighting and appliances in the house and for lighting and power in the barn. The lessening of the fire hazard by reason of electric service on a farm undoubtedly works out to the advantage of the district, as the losses by fire, due to power and lighting from oil lamps and lanterns and internal combustion engines, is to-day a big factor in the matter of rural insurance.

13. Farmers may choose from the following classes:—

Class II-B. Small Single-Phase Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for single-phase motors up to two horsepower demand, or electric range. Range and motor are

not to be operated simultaneously. This contract is available for farms up to ten acres in fruit growing districts and farms up to fifty acres in grain growing districts.

Class III. Light Farm Service—includes lighting of farm buildings, power for miscellaneous small equipment, power for single-phase motors, not to exceed three horsepower demand, or electric range. Range and motor are not to be used simultaneously.

Class IV. Medium Single-Phase Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for single-phase motors, up to five horsepower demand, or electric range. Range and motor are not to be used simultaneously.

Class V. Medium Three-Phase Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for three-phase motors up to five horsepower demand, or electric range. Range and motor are not to be used simultaneously.

Class VI. Heavy Farm Service—includes lighting of farm buildings and power for miscellaneous small equipment, power for motors up to five horsepower demand, and electric range, or ten horsepower power demand without electric range.

Class VII. Special Farm Service—includes lighting of farm buildings, power for miscellaneous small equipment, power for three-phase motors from ten to twenty horsepower demand, and electric range.

14. Service charge, including secondary bonus:—

Class II-B.....	\$37 26
“ III.....	49 14
“ IV.....	51 30
“ V.....	62 10
“ VI.....	89 64
“ VII.....	142 56

The consumption charge is divided into two parts, the same as in urban municipalities, a portion of the power used each month being paid at a first rate, with a follow-up rate which is low. The amount charged at the first rate in Class II-B is thirty kilowatt hours, and that for Classes III to VII is fourteen hours' use of the Class demand. In Class III the amount which is charged in each month at first rate is 42 kilowatt hours; Class IV, 70; Class V, 70; Class VI, 126; Class VII, 210. There is no minimum amount charged for current consumption in rural classes, the actual consumption as indicated by the meter being the amount charged for.

The Committee found the rural sections of Old Ontario insistent in their demands for electric service. While appreciating the sympathetic attitude of the Government, and the measures of assistance already given towards rural distribution, the feeling is general that nothing would have a greater tendency to make rural life more attractive and profitable than more general distribution of electric light and power on the farm. The Committee therefore recommends that the Government pursue as vigorous a policy as possible in seeking to effect a more general use of electric light and power in the rural districts of this Province.

WATER SYSTEMS.

The Committee finds that the standards of citizenship implanted by the Ontario pioneer settlers have come down to the present day through the unbroken tie of heritage in the land. The plan of settlement dotted Old Ontario with substantial farm homes. In the majority of cases these farm homes require modernization. In many instances the buildings need repairs, as answers to the questionnaire show, as well as installation of water supply systems and conveniences. Information for the rural home owner and the rural mechanic may be an aid in bringing these about. There is keen desire on the part of farmers and sore need is felt by farm women for running water, with all that it implies in the house.

The cost is declared to be the obstacle. The country tinsmith, who is the logical man to make the installation, hesitates to undertake work in which the "wiped joint," with which he has little or no experience, occurs with considerable frequency. Inexpert installation would be a menace to the health of households. The Committee studied plans that could well be carried out and made accessible for public inspection at various points in the Province. These embrace a complete system of plumbing, sewage disposal and water supply from which the farmers could learn details of cost. The scheme depends upon the co-operative spirit of Ontario manufacturers, who, for the purpose of demonstration, would be asked to furnish at various centres in the Province, in permanent homes, bath, closet, basin in the bathroom and kitchen sink, and, where desired, laundry tubs, septic tank and an electric or gasoline-operated water supply system; these installations to be at actual cost of the materials plus cost of necessary labour and transportation charges. Organizations of rural women could decide upon the points of installation, giving reasonable attention to location with a view to inspection by visitors at stated times.

It is estimated, as the result of research work in the United States, that lack of running water in the homes obliges the farm women to supply unnecessary horsepower of more than sufficient capacity to plow all the grain fields. This Committee was informed that at a meeting attended by thirty-five Ontario farm women only ten had water systems and only fourteen had wringers. Other quotations from the record are:—

"The farmer has not money to install water in his home. He would get his improvement if he could afford it."

"Much of our housework, which would be a pleasurable duty, resolves itself into tiresome drudgery. Many of our girls fly from it at the first opportunity."

IMPROVEMENT OF SURROUNDINGS.

The improvement of the surroundings of farm homes and buildings is another factor. The Committee believes that this is a work to which the Horticultural Societies Branch might well devote more attention. Village and Township Societies should be encouraged to a greater extent by making the basis of the grant more favourable to such societies and having a smaller fee for membership. There are 210 Horticultural Societies, of which seventy-six are classed as rural. Out of a total appropriation of \$20,000 only a little over \$3,000 goes to rural societies.

CO-OPERATIVE LAUNDRIES.

A plan of co-operative laundries has been urged. The Department of Agriculture sent a competent observer to the United States who has made a report on all aspects of cost and efficiency in this community service.

COUNTRY HOSPITALS.

The question of the small country hospital has become a very important one in rural districts. At many of our meetings complaints were made of the great expense incurred in cases of illness, especially when of a severe nature requiring the services of skilled specialists or city surgeons, with graduate nurses and all other charges incident thereto. In fact, it has been claimed that it is now beyond the ability of most farmers and others of moderate means to provide such attendance as has become necessary under present conditions.

This has led to the establishment of numbers of small hospitals having accommodation for from ten to thirty patients, and it will only be a matter of a few years until every town has a small, well-equipped institution with all necessary modern facilities for the care and treatment of every ailment and at a cost to the patient which is only a fraction of what the expense would be in the patient's own home. The hospitals already established are doing splendid work, in which they are assisted by such local organizations as the Red Cross Society, Daughters of the Empire, Women's Institutes, etc. We believe there is no object more worthy of Government encouragement and assistance. They furnish excellent training schools for nurses, where the students are brought more closely in touch with the patients than in the large city hospitals, and also give opportunities for the country surgeon to perform operations under such conditions as render it unnecessary to transport urgent cases long distances to city hospitals.

We regret that the recently incorporated Association of Registered Nurses has been permitted to frame such a curriculum and enforce such conditions as will practically force all small hospitals to close. The Committee recommends that the Legislature take such action as will prevent this result and protect them in the good work they are doing.

FIRE INSURANCE.

A claim has been put forward by farmers that fire insurance companies are effectually shutting them out by increased rates. The Provincial Superintendent of Insurance says fire losses in general have been heavy during the past few years, the ratio of losses to premiums written for 1921, 1922 and 1923 being 57 per cent., 71 per cent. and 64.6 per cent., respectively. The total amount of losses paid by purely mutual companies has increased from \$599,783.83 in 1919 to \$1,186,326.02 in 1923, an increase of almost 100 per cent. During the same period the net amount at risk increased only 29 per cent.

The Ontario Fire Marshal reports barn fire losses in Ontario increased from \$1,124,403 in 1919 to \$2,599,812 in 1923, an increase of 131 per cent. General fire losses for the first six months of 1919 were \$3,739,390 and for the same period in 1924, \$6,683,064, an increase of 78 per cent. These figures indicate that barn fire losses and the losses of purely mutual companies have increased considerably more than general fire losses in Ontario.

The significance of the figures is further emphasized by the Secretary of the Canadian Fire Underwriters' Association, who reported (October 27th) a recent general increase in farm property rates in all section of the Province. The statement continues:—

"This has been brought about only from one cause, viz., that farm business has proved itself to be excessively unprofitable to those companies who were writing that class of business. It is obvious that an insurance company will never decline or refuse to write business if there is a chance of making a profit out of it, and if therefore it is found that a number of companies do not care any longer to write policies upon farm properties, the reason is plain, viz., that they prefer not to accept these risks rather than write them at what they believe to be a certain loss."

It appears to this Committee that conditions demand a practical investigation in order to further methods of prevention of much of the alarming fire loss suffered in Ontario to crop and farm property, as well as to determine a better plan of rural insurance against fire hazard.

ROADS.

County rates are steadily increasing the sum of farm taxation. Recent road construction, which in the main accounts for this condition, is of certain benefit to the farmer. But he naturally looks at his own use of the good roads in contrast with their serviceableness for general automobile traffic. Provincial highways and roads whereon travel is more or less international in character, or to a marked extent of the truck and city business class, do not serve agriculture primarily. Trucks, pleasure cars and touring cars should pay a just share of the construction and maintenance cost of all classes of roads they utilize. The following are characteristic opinions bearing on the subject:—

"Witness favoured a tax on gasoline as an equitable method of paying for road upkeep.

"I would suggest that all automobile revenue be produced from the gas. That would hit the fellow most who is using the roads most."

"The highway is worth something to me, but I think some of the maintenance should be placed on the gasoline."

"County taxes have jumped five times over what they were in 1914. My advice would be a heavy tax on gasoline."

Witness pointed out that the interprovincial road is a national highway and the cost of it should not fall upon the people in the rear parts of townships.

"The road expenditures have been extremely heavy and I feel that this is especially so in the case of this County, which has some thirty-seven miles of Provincial highway. We are called upon to pay twenty per cent. of this cost and in no way is the proportion in keeping with the use we get from it."

"County rates are to-day the highest the farmer has to pay. This is due mostly to road construction. This road construction is not always for the benefit of farmers. Provincial highways in our counties give practically no

benefit to farmers. County Provincial roads are to link up with other counties or centres and are of no great value to farmers. This road taxation should be considered no longer as a taxation on properties."

"The road problem is getting worse due to officials of the township not having the proper knowledge of maintaining roads. Practically no repair work is done. A small puddle is allowed to grow as quickly as it likes for three or four years and then it requires a few loads to do what a dozen shovelfuls could accomplish. They have not yet learned the value of sufficient road drainage. Three or four townships might co-operate in getting a suitable experienced man and also machinery, as gravel is getting scarce in parts and it is too much of a burden for one township alone."

This Committee recommends that the Department of Public Highways carefully consider the foregoing as representing opinion generally entertained.

TOURIST TRADE.

The Committee endorses the following suggestion of George W. Ecclestone, M.P.P., for promotion of tourist business in the Muskoka Lakes district:—

"In connection with our roads and our fishing lakes I wish to add a word or two. We have hundreds, perhaps thousands, of small lakes. This country is largely intended for tourists. It is a veritable playground. We want good roads and we want our lakes stocked with fish. Thousands of American cars came through last year. They have to keep to the main highway. They could and should be able to go in by byroads to the smaller lakes. There are hundreds of places where money spent on the side roads would bring hundreds of additional tourists who for the most part come to fish. The Government should take over half of these branch highways and perhaps leave the rest to the municipalities. It is impossible to look to the municipalities to take care of all these branch highways. I would definitely suggest a hatchery for Muskoka. It would mean profit to the district and would benefit the Province. The waters of this country will have to be stocked and restocked. The business is largely from our visitors and we must provide for them."

Approval is likewise accorded to the suggestion put forward by the Secretary of the Peterborough Chamber of Commerce for co-operative promotion of tourist traffic in Ontario. In this and other Provinces the tourist business has helped local markets.

REFORESTATION.

Considerable attention was given by the Committee to this very important question. It is a duty to awake public opinion to the serious condition facing this Province due to the unrestricted and wasteful manner in which our timber is being cleared off the land in the older sections. The view of Mr. J. C. Hallman at Kitchener is representative of many expressions heard by the Committee:—

"If the land were not overcleared we would have better crops. Driving along through the country you do not see the mist rising as it used to rise from the land. We have not enough moisture and it is due to our overclearing. Get

back to the margin of twenty per cent. forest. The woodland moisture is not sufficient. The air is getting dry. The air is being tampered with. The forest floor should be composed of leaves. To-day it is grass where the cattle pasture. The cattle kill the trees, kill the babies of the forest. Fifty years ago I recall the appearance of our splendid bushland. Our Government is inducing us to restore it by planting trees. It will not be altogether a success. We need protection of the remaining bush, fencing against cattle, protection of the forest floor and of the new growth. If we get these our forest will take on new life.

"I recall forty years ago having the Bob White in flocks in our fields. They would clean up a lot of potatoes. I do not think I have seen a Bob White in the last ten years. They have gone from atmospheric conditions that are not normal. Our forest lots will once more become the sanctuaries of our birds and of the game. We need protection for the game birds. Game wardens should be countrymen, not townsmen. The farmer gamekeeper will preserve the farmer's game."

In the most enlightened countries of Europe it is considered necessary to maintain a wooded area of from ten per cent. to fifteen per cent. to conserve moisture and proper climatic conditions. Denmark, a small country, has reclaimed seven per cent. of its land for forest. But we find in some parts of Old Ontario that the bush has been considered an enemy to be got rid of as quickly as possible. The returns show some counties with no more than five per cent. of bush and woodlots.

We have examples of countries which have become treeless deserts consequent on the destruction of their forest growth, and we heartily commend the active and energetic policy being pursued by the Department of Lands and Forests in its system of fire ranging on our public limits and the help being given to anything tending towards maintaining a permanent growth on lands not suited for agricultural purposes. It is gratifying to know that a number of municipalities are taking advantage of the offer of the Government to unite in a scheme of reforesting waste lands, and also that many farmers and others are planting out thousands of trees every year from the liberal supplies being distributed by the Department. We believe too much attention cannot be given the subject and every possible encouragement should be given to induce a still greater interest in establishing municipal forests and farmer's woodlots.

More game sanctuaries might also be set aside to furnish shelter and breeding places for the birds, which serve the purpose of keeping down insects which are a menace to our crops.

Some agitation has been carried on against the export of hundreds of car-oads of Christmas trees every year. This has become quite an industry and the United States has recently removed the duty in order to encourage the importation of Canadian trees and to save their own. It might be considered rather high-handed action on the part of the Government to step in and prevent any landowner from selling these young trees, but it might be practicable to have them taken off by a proper system of thinning, and to regularly replant some species of evergreens which would be marketable in about five years. This would furnish a regular crop and a steady source of income.

FUR FARMING.

The raising of fur-bearing animals in captivity has become quite an industry in Ontario. Many farmers have started in a small way and are now earning considerable money. It appears that this should be a profitable and permanent source of income to any person who has the taste and aptitude for it. There is no likelihood of it being overdone as fur manufacturers have become more and more dependent upon the pelts of animals raised in captivity. During the year 1924, 392 fur farms were operating under authority of a license issued by the Ontario Game and Fisheries Department, 168 being new farms. On December 31st, 1923, there were 6,032 animals of all species in captivity, being an increase of 191 per cent. over 1922, valued at \$1,092,340. Fox comprise fifty per cent. of the animals and muskrat forty-five per cent. of all stock. Eighty-two per cent. of the fox were silver fox. Mink, skunk and raccoon are also being propagated successfully, but generally as a sideline on a fox ranch. Fur farming is profitable aside from special price attractions for animals for breeding purposes.

DEVELOPMENT OF NORTHERN AND NORTHWESTERN ONTARIO.

Many in Old Ontario do not realize the possibilities and needs of the Districts of Kenora, Rainy River, Thunder Bay, Algoma, Sudbury, Cochrane, Temiskaming and Nipissing. These Districts are integral parts of the Province of Ontario, rich in natural resources and requiring population. In the interests of the Districts themselves and of the Province as a whole an improved policy of agricultural development is imperative.

The need of a new policy of settlement may be shown by extracts representative of evidence at the public sessions held in Northern and Northwestern Ontario:—

"When land is decided upon as a desirable area for settlement, preparations should take definite form. A township with lines around 160 acres, and no roads at all, but five per cent. reserved for roads, is no plan. The roads should be part of the preparation of opening the township for settlement. This would allow the settler to see where he will put his buildings. He can now only guess at the location of a future road."

"In new townships to be opened for settlement a great deal of hardship could be overcome if some policy were adopted whereby certain roads would be built before settlers went in and settlers only permitted to take up land along these roads. Only sections suitable for agricultural purposes should be opened up and the balance left as timber preserves. Some farmers who have lived on their farms for some years have not as yet a road."

"Veteran grants in a great many cases have been lying idle for years hindering the laying out of school sections, the building of roads and the settling of communities."

"The great harvest is the timber. We have a lot of land located for years the title of ownership to which has not been demanded. The Government should insist that patent be taken out at a certain time or the land forfeited."

"The greatest need is a system of community agricultural settlement."

"We must have more concentration of settlement and regulations to prevent the taking off of so much pulpwood. Concentration of settlement would serve the larger number of people at the smaller cost."

"Settlers come in to skin the township of timber and get out leaving the school problem to those who have come in with determination to stay. Settlers should not be allowed to clear out the pulp lands in two or three years."

"There are many scattered settlements with long distances between neighbours, long stretches of road in proportion to the number of settlers and long distances between the settlers and the markets where they should sell their produce. When encouraging settlement in townships and in building roads full consideration should be given to the value to the settlers of a market town within easy driving distance."

"The main obstacle is want of roads. In a distance of 125 miles about twenty per cent. of the settlers have roads. The balance of eighty per cent. have no roads. The majority of settlers in this section never drive a horse in the summer season to haul provisions for their families and cattle. They carry on their shoulders flour, meat, oats and hay for many miles. Many have done so for years. Many have gone away through want of roads. Some have had the courage to face the hardships of settlement under such conditions."

"Settlers should be shown the nearby land that may be bought for \$4 to \$5 an acre."

"For a real farmer with a little capital and a family, 160 acres of homestead land is not nearly as suitable a proposition as a partly improved farm at a greater cost where a school, church, and village conveniences are not too far away."

"Farmer settlers from Old Ontario or from farming sections from Quebec have been the most successful. There have been many from other places who have done well. It would not be wise to discourage settlers of any nationality. But in looking for settlers there should be a real campaign to get settlers from Old Ontario with previous farming experience. The opportunities in the North should appeal to those considering moving. A trainload of leading farmers from various counties in Old Ontario would do much to spread the truth of the farming opportunities in these districts to those who are prospective settlers."

"With more complete settlement it will be profitable to organize co-operative societies where such are not easily formed now because of distance between good farmers, to operate successfully more creameries and start cheese factories and in this way make farming profitable."

While the Committee is convinced that roads should be included in the programme of preparation for the settler, the conditions brought about by methods of settlement followed in the past must be remedied. At all the meetings the settlers emphasized the need of roads as their main difficulty. The following extracts are representative expressions:—

"Some 700 settlers in this section have no roads at all, and it is difficult for any one not intimately understanding conditions to realize the handicap thus placed not only upon the individual settler, but upon the progress of a district rich in possibilities and attractive to settlers with agricultural experience. The fact that so many settlers have gone upon the land without roads demands a policy of expedition at the present juncture, and it would be good policy to give the settlers now on the land clay roads or trails and not wait for the expense and

delay of gravelling as the road work progresses. The opening of roads to the settlers now isolated is a matter of necessity and comparatively slight cost. The gravelling of roads, making them more or less permanent and serviceable for drainage, should be a distinct division of the Government's road policy."

"Many settlers are without roads and are unable to get what they produce to market."

"Settlers were invited to come in and told they would have roads and pulpwood to help them. There have been roads built where there are no settlers and we have settlers in sections without roads. The Government is not getting the benefit it is entitled to from the spending of road money and is following an expensive system of colonization.

"One road will not make a settlement and feeders are needed from the different settlements to the main road to make it useful to the section."

Roads and education are closely linked in the new districts. The settlers are anxious to give education to their children and make heavy sacrifices to build and maintain schools. The want of roads is a great obstacle to school attendance. The settler whose children are compelled to go without schooling inclines to leave the land for the sake of his children. Complaint was also heard in Northwestern Ontario as to the difficulty of obtaining qualified teachers. The Committee is of opinion that a Teachers' Training School should be established to serve the needs of the rural sections of Northwestern Ontario.

Financial assistance for the settlers in the form of short term loans is another requirement of agricultural development. This was dwelt upon by many witnesses:—

"Practically ninety per cent. of the incoming settlers are more or less without funds. In fact, I would say that after they have paid their fare the amount of money which each has varies from \$5 to \$50. It is necessary for these men, after this money has been expended, to come into the towns and cities to endeavour to obtain further funds. This has a tendency to increase the problem of unemployment and in some instances discourages the man, who does not go back on the land. I would recommend a scheme whereby a new settler would receive a loan in instalments in accordance with the amount of work he puts into the land. I think this would materially assist in bringing about a much more satisfactory system of settlement than at present."

"A short term loan used to good purpose is desirable. Applicants for loans do not always give due consideration to the future. Immediate relief may be the prompting spirit."

The Committee is of opinion that the whole system of short term loans in Northern and Northwestern Ontario should be revised and placed under the Department of Agriculture.

In regard to long term loans, one-third of the total loans made by the Agricultural Development Board is made in New Ontario. A large proportion of this money is being used for building purposes, and loans are made only on farms where there is sufficient clearing to permit real farming operations. These loans at six per cent. are of special value in a new country where the rates of interest, even when money is available, are high. The Committee recommends that all long term loans in Northern and Northwestern Ontario be administered under one Board.

The Committee found the settlers in every section desirous of securing cattle—"Our need is roads first and then cattle to stock our cleared farms." They are handicapped because of their great distance from breeders of good stock. With high transportation charges it is impossible for the settlers to get good stock without some Government assistance.

Strong desire was expressed that only pure-bred sires should be used in the North. As one witness expressed it, "We never can hope to succeed in raising live stock as long as the use of scrub sires is tolerated." In this connection the Bull Loaning Policy of the Dominion Live Stock Branch provides assistance in districts in which farmers would otherwise find difficulty in securing the use of pure-bred sires, and the Committee recommends that the Agricultural Representatives of the Ontario Department co-operate to the fullest extent in making this known in their districts and assisting farmers to take advantage of it.

In many sections the farmers are able and willing to buy good grade cows, and the Committee recommends that sales be held by the Ontario Live Stock Branch at convenient points. These sales would be of advantage to Old Ontario breeders as well.

The opportunities offered in connection with the development of the dairy sections is shown by the following evidence:—

"We have a good local market that will take all the cream that can be had.

"There is a great butter market here. I do not think we shall ever need to ship a parcel of butter out of this district."

"Dairy products are brought in which could very well be produced here. A creamery established at a central point where it would be feasible to bring the cream from a large number of farms would be a decided advantage."

Cold storage at Fort Frances would assist the dairy industry in that section and meet the requirements of the market for eggs and meat. It is impossible for farmers in the Rainy River Valley to erect adequate storage facilities themselves.

Representations were made at a number of meetings that the Protection of Pure-bred Cattle Act should be amended to apply to the Provisional Judicial Districts, and the Committee endorses this recommendation.

In connection with the production of field crops attention was called to the need of amending the Weeds Act to make it workable in new and unorganized sections. A great deal of harm is also done through weed seeds shipped in with feed.

The question of a market for hay is one that affects many sections. The following is representative evidence:—

"Shipping out of inferior hay has spoiled the market. We could sell all we produced if we graded it. The people need education on grading and market requirements.

"I would suggest that hay be sold co-operatively and its quality guaranteed."

"The local market has been spoiled by poor quality hay."

"I used to be able to ship hay to the States, but cannot under the Fordney Tariff. Over 600 tons came in here last fall. The import tariff is \$2 per ton and the tariff to the United States is \$4 per ton."

The Committee recommends that regulations regarding the proper grading of hay be made known to all concerned by the Agricultural Representatives; representations and recommendations against the importation of United States hay have been forwarded to the Dominion Government.

It is a well-known fact that the northern and northwestern sections of Ontario produce certified seed potatoes. Transportation of this seed to Old Ontario and other markets is a problem of the industry. In addition to the difficulty of rates, there is the need for warehouses for storage and grading. Generally speaking the grower has no storage facilities. The result is that they are compelled to sacrifice their crops very often. Even granted storage at home, the severe cold prevents hauling to loading points during the winter months. It is during the winter months some of the best markets are available. The Committee recommends that the Department of Agriculture assist the farmers in the establishment of storage and grading warehouses. These might also be utilized for the grading of hay.

There are many lines of agricultural production to which the districts are especially suited, and the farmers should be encouraged, financially and otherwise, in these directions. It is the opinion of the Committee that the surest and most economical plan of bringing these opportunities and the methods by which they may be attained to the knowledge of the farmers is by individual farmers undertaking on their own farms demonstrations along these lines in co-operation with the Agricultural Representatives. The advantage of this plan over Experimental or Demonstration Farms, as advocated at some meetings, is that the demonstrations and experiments would be conducted under the exact conditions on an actual settler's farm. Such demonstrations should be undertaken in lines best suited to the particular district. As some fine agricultural sections of Northern and Northwestern Ontario are without Agricultural Representatives, the Committee recommends that the Government give them the benefit of such help, particularly as all witnesses expressed willingness to co-operate to the fullest extent.

The mining industry continues to exercise a powerful and expanding influence for the return of national prosperity. The centres of population that have sprung up in the mining areas are natural customers of the farmers in Old Ontario. Their trade has been estimated at \$3,000,000. Old Ontario must not neglect quality and standardization if this business is to be retained and increased. The Western Provinces are sending in butter, whilst British Columbia and Nova Scotia are introducing their apples.

In the Sudbury district the Committee was invited to investigate the effects of sulphur fumes upon plant life. The subject has already been dealt with by experts and nothing in point of evidence was added.

Regulations governing the burning of slash are a cause of complaint:—"The settlers would like to have permission to burn land during the summer months. They cannot now burn without a permit. The permit is for two days

and if it should rain they have to go back for another permit." Slashing goes on steadily and the Committee was impressed by accumulations in extensive areas, which, if carelessly or accidentally touched by fire, must prove a formidable danger.

Many sections are specially suited to sheep raising and reference to the wolf menace was general. Among the suggestions offered for a solution of the problem, the following by C. M. Laidlaw, Superintendent of the Department of Agriculture's Demonstration Farm at New Liskeard, seem practical:—

"It would seem that the bounty system is not entirely successful and that it would be in order to have other methods tried out to destroy the wolves that are causing such great losses to sheepmen. The wolf question has been under my observation for a number of years. I have been in touch with those who have suffered loss and with trappers who have successfully tried out methods of trapping wolves, and am confident that a policy could be put in operation that would be more effective than the bounty system alone and not as costly to the Province. My suggestion would be that the matter of destroying wolves be placed in charge of the Department of Agriculture rather than the Treasury Department and the Department of Game and Fisheries, who cannot be expected to appreciate the farmers' needs as fully as the Department of Agriculture.

"To destroy wolves a staff of experienced trappers might be employed, to serve full or part time, to trap, poison or otherwise destroy wolves in those sections where they are causing loss to stockmen. These trappers might be moved from place to place and sent where most needed and if need be a campaign conducted similar to that now carried on to stop the work of the corn borer in southern Ontario. The wolves are just as much an agricultural pest as the corn borer, codling moth and other pests that have already received active attention from the Department of Agriculture.

"In making the foregoing suggestion for destroying wolves by trappers it is not recommended that the bounty system be entirely done away with, but that it be continued as it now stands, in conjunction with the trapping method suggested, until such time as the Dominion Government is persuaded to adopt a uniform and effective policy for the destruction of predaceous animals over all the Provinces.

"The raising of sheep is one of the most profitable branches of live stock farming in the north. In the area surrounding the Provincial Parks, where trappers are not permitted to trap, and in the more broken farming sections around North Bay, Sudbury and Sault Ste. Marie the wolf menace seems to be greatest."

AGRICULTURE AND OTHER INTERESTS.

PURCHASING POWER.

The phases of this enquiry that deal with comparative relations of agriculture and other interests of the country disclose obstacles in the way of permanent improvement in general economic conditions.

The purchasing power of the agricultural population is the mainstay of industrial prosperity. The pinch of agricultural depression passed on to the purchasing power of other classes of the people resulted in unemployment and diminishing consumption. When this enquiry began experts had supplied the

farmer with a new phrase to express his economic disadvantage. They had popularized the symbol of the "farmer's dollar" during the process of deflation. Dollars in the pocket of farmer or factory employee represent purchasing power. When farm and factory commodities alike were readily marketed, the farmer was producing to his utmost ability. The mechanic, also enjoying employment at high wages, was equally satisfied with inflation. It was inevitable that the effects of deflation should strike the farmer and the factory employee from different angles. Money had been in unusually abundant supply for both and became scarcer with contraction of world markets. The farmer's commodities being perishable, he had to market them at lower prices and without loss of time. The factory employer could not quickly reduce his price below overhead cost, but he could cut production and make his commodity scarcer. This recourse meant curtailed employment, unemployment for some, part time for other operatives. Factories had to retain some skilled hands not easily replaced.

The farmer as he sees conditions blames the wages of labour, transportation rates, the price of manufactured commodities, and high interest rates. He claims that these constitute too heavy a tax on production.

BUILDING TRADES.

When asked to give definite form to the impeachment of labour, witnesses frequently referred to building trades. The secretary of the Toronto Building Trades Council, at the Round Table Conference on August 27th, made the declaration that it is only here and there high wages are paid because of scarcity of labour of a special class, particularly bricklayers and plasterers. General labourers are working forty-four hours per week in a seasonal occupation for thirty-four cents an hour. He put the number of building trade mechanics who had moved from Toronto to the United States at 7,800. He was also quite frank with reference to the bricklayers' trade:—

"Let us take the wage of the bricklayer. He receives \$1.25 in the city of Toronto. No matter how you look at it it is a very low wage. It is the lowest wage paid on the American continent outside of Montreal to a bricklayer in any city of half a million. According to Judge Landis the limit which a bricklayer can work in a year, an average, he stated in Chicago, was 172 days a year; it was the best he could do. Our builders' exchange in the city of Toronto voluntarily handed out an increase last year of twenty-five cents, simply because they could not hold good mechanics in the city. It was an economic necessity. Men would not stay for less. The uncertainty of employment, low wages, compelled them to leave Toronto and leave their families here and provide for them.

"Much criticism is levelled at the bricklayer for his responsibility for the increased cost of building. Now let us deal for a moment with the financing of any building project. Let us take the average six or seven room house which is occupied by the artisan. The average number of brick is about 30,000. For laying this brick the bricklayer receives from \$350 to \$400. Then the house has to be financed. The first mortgage, which we will say is fifty per cent. of the cost, would be got at par, but to get the other \$3,000 they have to discount the mortgage twenty-seven and a half per cent. and the man who does absolutely nothing gets twice as much as the bricklayer. It costs \$800 to \$1,000 to finance the ordinary six or seven room house in Toronto. That is where our trouble rests. It costs sixty per cent. of the entire labour cost of building a house to finance it."

Witnesses at some of the sessions claimed that bricklayers are limited as to the number of bricks they are permitted by their organization to lay. Replying to this he said:—"It would be utterly impossible to restrict the amount of work that shall be done. There is work on which 200 brick would be a good day's work; there are other classes where a man to do a good day's work would be required to lay 2,000 to 2,500."

At the same conference the president of the Provincial Builders' and Supply Association was asked to suggest a way by which cost in relation to building could be reduced:—

A.—The only way that could be accomplished is through the labour organizations because so far as the builders are concerned it would be foolish for us to try to do anything except work with them because we cannot put up buildings. We are dependent on the labour associations for labour.

THE CHAIRMAN: Then we get nowhere. You say you want to do something but it is quite out of your power to do anything.

A.—Unless the labour associations agree.

THE CHAIRMAN: Agree to take less money?

A.—Yes.

MR. TREWARTHA: What are the rates of wages?

A.—They vary—in Galt, bricklayers, \$1.00; plasterers the same; carpenters, 70c to 75c; painters, 65c.

MR. TREWARTHA: How much of the year would these men get employment?

A.—A limited number get a good portion of the year when times are good—eight or nine months.

The following table which has been supplied by the Department of Labour, Ottawa, shows a steady increase in rates of wages from 1901 to 1920, and a declining tendency since:—

Index Numbers of Rates of Wages for Various Classes of Labour in Canada, 1901-1923.

(RATES IN 1913 = 100)

Year	Building trades	Metal trades	Printing trades	Electric railways	Steam railways	Coal mining	Average *	Common factory labour	Miscellaneous factory trades	Lumbering
1901	60.3	68.6	60.0	64.0	70.8	82.8	67.8			
1902	64.2	70.2	61.6	68.0	73.6	83.8	70.2	.....	.....	.....
1903	67.4	73.3	62.6	71.1	76.7	85.3	72.7	.....	.....	.....
1904	69.7	75.9	66.1	73.1	78.6	85.1	74.8	.....	.....	.....
1905	73.0	78.6	68.5	73.5	78.9	86.3	76.5	.....	.....	.....
1906	76.9	79.8	72.2	75.7	80.2	87.4	78.7	.....	.....	.....
1907	80.2	82.4	78.4	81.4	85.5	93.6	83.6	.....	.....	.....
1908	81.5	84.7	80.5	81.8	86.7	94.8	85.0	.....	.....	.....
1909	83.1	86.2	83.4	81.1	86.7	95.1	85.9	.....	.....	.....
1910	86.9	88.8	87.8	85.7	91.2	94.2	89.1	.....	.....	.....
1911	90.2	91.0	91.6	88.1	96.4	97.5	92.5	94.9	95.4	93.3
1912	96.0	95.3	96.0	92.3	98.3	98.3	96.0	98.1	97.1	98.8
1913	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1914	100.8	100.5	102.4	101.0	101.7	101.9	101.4	101.0	103.2	94.7
1915	101.5	101.5	103.6	97.8	101.7	102.3	101.4	101.0	106.2	89.1
1916	102.4	106.9	105.8	102.2	104.9	111.7	105.7	110.4	115.1	109.5
1917	109.9	128.0	111.3	114.6	110.1	130.8	117.5	129.2	128.0	130.2
1918	125.9	155.2	123.7	142.9	133.2	157.8	139.8	152.3	146.8	150.5
1919	148.2	180.1	145.9	163.3	154.2	170.5	160.4	180.2	180.2	169.8
1920	180.9	209.4	184.0	194.2	186.6	197.7	192.1	215.3	216.8	202.7
1921	170.5	186.8	193.3	192.1	165.3	208.3	186.1	190.6	202.0	152.6
1922	162.5	173.7	192.3	184.4	155.1	197.8	176.8	183.0	189.1	158.7
1923	166.4	174.0	188.9	186.2	157.4	197.8	178.4	181.7	196.1	170.4

* Simple average of six preceding columns.

TRANSPORTATION.

The tenor of the enquiry points to transportation as the farmer's major difficulty. An emphatic claim of witnesses was that salary and wage scales of railway employees constitute the governing factor of high transportation costs, and that the service is managed for the benefit of the employees. In general effect evidence is similar to these excerpts:—

"The farmer, who is the producer of the tonnage, gets the least consideration. The cause no doubt is the rate of wages paid to railway employees. The producer and consumer are well enough in their way; it is the labour employed in handling the produce that seems to get consideration."

"If they start with the high salaried officials instead of the unskilled labour they will be beginning at the right end."

The employees' interests were fully presented to the Committee by Senator G. D. Robertson, whose statement appears in the Appendix. Statements by the Canadian National Railways and the Department of Labour, Ottawa, are also included.

The wages paid by publicly-owned utilities, including Hydro-Electric undertakings, so far as they may be regulated by International Labour Unions, should not be considered apart from efficiency of service, the common interest of the people who are concerned, and the value of the properties put to public use.

The high level of rates restricts all business as well as agricultural industry and from this standpoint National railways fail in service as a public utility. This expresses the views of rural witnesses, but does not imply opposition to public ownership in principle. The Committee on every occasion asked for concrete examples of exorbitant charges and a mass of correspondence with the Board of Railway Commissioners and the railways is on file. The railways reply that their charges must necessarily be fixed on the principle of profitable operation. They refer to conceded favourable comparison with rates of United States roads. The late Secretary Wallace of the United States Department of Agriculture contended that the lower rates of Canadian roads furnished a reason for downward revision of rates over there. But the rates question is involved by classifications, loadings, etc., that invite scientific readjustment. The per ton value of agricultural produce is relatively low for all farm commodities besides presenting peculiar difficulties of classification. In many instances carlot loadings are unfair to the farmer. The cost of railway service to him is therefore out of proportion to value received.

The familiar argument was submitted that increased volume of traffic is the first essential to making the Canadian National Railways self-sustaining. Railway employees and executives agree that the Canadian roads are economically managed and that the relations of management and employees are satisfactory. It was not shown to the Committee that railway management had in any outstanding way endeavoured to adjust the grievance of agriculture in Ontario under existing rates. Rate adjustments that have been made are not of material aid to Ontario farmers. Nor is the suggestion to stop unprofitable expenditure on extensions adequate to the situation. If the publicly owned National system of railways does not pay, the citizens of Ontario as taxpayers bear the largest

share of the distributed loss. The farmer provides his portion of this distribution while supplying to the traffic a high percentage of tonnage. The Committee has repeatedly been reminded that existing rates hinder farm industry in this Province and diminish legitimate railway business.

The question is not one upon which this Committee can make a direct recommendation. It belongs to the Federal domain. Farmers, because they are both producers and consumers, feel that they are discriminated against. The rural opinion pressed upon the Committee should not be ignored. The Committee would be remiss in its compliance with the Order of the House if it did not take cognizance of the complaints lodged and urge that they be brought to the attention of the Dominion Government.

At the time of presenting this report the Committee is engaged in efforts to secure better rates on agricultural limestone; on feeder cattle from western points to Ontario; on seed potatoes from Northwestern Ontario; restoration of settlers' rates to the districts of Kenora, Rainy River and Thunder Bay. Reduced rates on celery and honey are also being urged and it is expected that these will become effective under Classification No. 17 now before the Board of Railway Commissioners. The Committee feels it advisable and necessary that its efforts in regard to the above and other matters should be carried to final decision.

MANUFACTURERS.

At sessions throughout the Province complaint was heard concerning the price the farmer has to pay for manufactured commodities. The Committee held conferences with manufacturers and retailers and the information received forms a chapter of trying experiences all round not wholly surmounted but looking to renewal of conditions of confidence. All declare the necessity for a real spirit of co-operation.

At the Round Table Conference on August 27th the Canadian Manufacturers' Association submitted the statement included in the Appendix.

The Committee met the members of the Retail Merchants' Association towards the end of November. The trends of the past three years have been decidedly adverse to them. They are competing against mail order business, chain stores and transient traders. High municipal taxes and reduced purchasing power of their customers have involved many losses. One representative merchant of a town of 7,000 population showed the Committee an average mark-up not in excess of his overhead. The future is less roseate for these merchants than for any other business class. Reasons advanced for legislative consideration in their interest are:—

"No city, town or village could exist unless it had in it retail merchants carrying permanent stocks of various lines of trade so that the various lines of goods could be secured immediately when required.

"In all cities, towns and villages the land and buildings occupied by retail merchants is the most highly assessed, proving that it is expected that they should pay taxes for the privilege of doing business in the municipality, and as they are paying the highest rate of taxation, with a further taxation on business assessment, and income taxes as well, they should not be exposed to the unfair competition of those who pay no taxes whatever or those who pay very little.

"Retail merchants located permanently in a municipality can be held responsible for the quality of the goods they sell."

Reference was made to the spread in price between hides and boots and shoes and harness. Representatives of the tanning companies located in Ontario appeared before the Committee and made the following statements in explanation of the spread from hides to leather:—

"We have made a careful analysis of the difference in the prices of materials used in tanning in 1914 as compared with 1924 and the percentage of increase in each case is as follows:—Hemlock bark, 63; Quebracho extract, 42; Chestnut Oak extract, 55; Spruce extract, 35; tallow, 62; Cod oil, 86; slack coal, 66; labour, 80; freight rates, 90; taxes, 141; decrease, native steer hides, 0.52 per cent.

"Notwithstanding the heavy increase in the cost of tanning as shown by the above percentages, sole leather made from native packer steer hides at the present price of eighteen cents per pound costs only thirteen and a half per cent. more than sole leather made from the native packer steer hides costing nineteen cents per pound in 1914. Similar conditions prevail in regard to the price received by tanners for harness leather. This illustrates the fact that the price the tanner receives for his product has increased only slightly in comparison with the great increase in the cost of tanning and explains the reason why few of the tanning companies made any profits, and why, on the other hand, many of them have suffered heavy losses during the past three years.

"We would now like to explain why we pay more for hides taken off by packers than we pay for hides taken off by the farmer. It is obvious that the packing companies, who are in a position to maintain a staff of highly skilled employees, can remove the hide from animals more efficiently than farmers who skin only an occasional animal and consequently have not the opportunity to obtain the necessary skill and experience.

"Let us illustrate why the packer hides are worth more than the country hides. Packer hides are removed by experts, country hides by unskilled men; packer hides are uniform and have few cuts or scores, while country hides are not uniform and have numerous cuts and scores; in packer hides sinews, udders, tail-bone and dewclaws are removed; in country hides they are left on; there are few hair slips and salt stains on packer hides, while there are many on country hides; packer hides are well cured with clean, coarse salt, while country hides are often not thoroughly cured and dirty or fine salt used; packer hides are carefully handled and the yield of leather is high and reliable; country hides are often carelessly handled and the leather yield is low and uncertain; packer hides are not frozen, while many country hides are frozen in the winter; packer hides are bought in carload lots by the tanner directly from the packing company, while country hides are picked up in small lots through numerous dealers.

"Country hides are used by some tanners only and cannot be used by other tanners. Some of these country hides are used in the production of sole leather and of heavy shoe upper leather, but they cannot be used for sole leather in high-grade welts or turn shoes; country hides are not used at all for the production of harness leather because they are cut and scored to such an extent in removing them from the animals through lack of the necessary skill and experience.

"We believe that the farmers would obtain a better price for their hides if some method could be devised by them to improve the take-off condition and

marketing of country hides. As tanners we would be glad to co-operate with the Government, the Agricultural Colleges and farmers' organizations to improve the method of removing, curing and marketing hides produced by farmers in the Province of Ontario."

Mention was also made by the tanners of grub holes in Canadian hides and it was suggested that the farmers study the pamphlet "Insects Affecting Live Stock" issued by the Federal Department of Agriculture.

The boot and shoe manufacturers' position is stated in a memorandum submitted by the secretary of the Shoe Manufacturers' Association of Canada which says:—

"The shoe manufacturers have no control of the prices at which shoes are sold to the public. Not a shoe factory operating in Canada to-day has anything in the nature of a fixed resale price, but it is common knowledge that comparatively few retailers are making any money and thousands are not breaking even.

"The figures of the Dominion Bureau of Statistics show that the average wholesale price of boots and shoes at the present time is less than thirty-one per cent. higher than in 1913. Meanwhile the prices of all commodities, raw materials and manufactured goods have increased by an average of fifty-seven per cent. Surely the increase in the price of boots and shoes is not unreasonable in comparison with the advance in the prices of foodstuffs and other necessary commodities, including the following, all of which enter largely into the cost of living:—

	Percentage increase over price in 1913
Grains.....	79
Milk and its products.....	38
Fishery products.....	50
Vegetables.....	45
Sugar and its products.....	85
Bakery products.....	80
Lumber and timber.....	47½
Woollen yarns.....	93
Hardware.....	83
Coal.....	118

"It will be noted that the prices of foodstuffs and other necessities of life are much higher than before the war. These determine to a very important extent the remuneration which has to be paid for labour and services and the prices of materials, and the cost of goods of all kinds is affected accordingly.

"Farm boots used to be made of hemlock bark tanned leather. Now the demand is for a softer, better and more expensive leather, which has to undergo a chrome retannage (the army leather tannage). There was a time when there was a demand for farm boots roughly made and without much finish. Wearing qualities alone were considered. In many instances the boots were shipped loose in boxes or even in barrels and without laces, but to-day even work boots must be carefully finished throughout and packed each pair in its individual carton and with laces. All these refinements have added in some measure to the cost, but the manufacturers have no alternative but to supply goods which, and as, the public demands. And the demand is for better and more expensively-made product, of better material and better finished throughout. To-day work boots must be finished on follower lasts, ensuring the utmost in appearance as well as in wearing qualities, but requiring an additional outlay by the manufacturer. The factory wage cost of making a pair of men's work boots in the same way as in 1913 is higher by about 66 2-3 per cent., and, in

addition, the extra finish now required over and above the finish which was required before the war means an extra cost for wages alone of eight cents per pair, and this is not a small item on shoes for which the retailer pays \$2.90 to \$3.00 per pair, including sales tax of two and a half per cent. Pre-war prices of boots and shoes did not include either shipping cases or laces, which were charged for separately, whereas these items now are included in the prices quoted. They mean a further difference of four and a half cents or five cents per pair of boots. Allowances for the cost of extra finishing, for improved construction and for cases and laces reduce the apparent advance over pre-war prices by five per cent. or more.

"Analysis of the selling price of a pair of men's medium price shoes, goodyear welt—shoes of a grade sold to the retailer at about \$3.65 or \$3.75 per pair, including sale tax—shows the following approximate figures:—

Cost of materials.....	42%
Labour (factory, shipping, etc.).....	30%
Selling commission to travellers.....	6%
Overhead, including rent, fuel, power, lighting and all general and administrative expenses.....	10%
Royalties.....	2%
Bad debts.....	2%
Cash discounts.....	2%
Sales tax.....	2½%
Margin from which the manufacturer must meet unforeseen expenses and all contingencies, abnormal credit losses, losses on stock, etc., etc., and find his profit, if any.....	3½%
	<hr/> 100%

The general organizer of the Boot and Shoe Workers' Union also appeared before the Committee. He stated:—"Labour is said to be responsible to some extent for the cost of things because of our restricted production, or, in other words, that we prohibit men or boys from entering the industry. I say very frankly as far as our industry is concerned we have never suggested to any of the operatives that they should do a certain amount of work in a day. Our work is very largely piece work. So far as men or boys or girls entering into the trade, we have absolutely no restrictions as to how many learners should be taken on in any factory."

Canadian made shoes to-day are declared to be of as good quality as imported goods and competition among the Canadian factories for the limited requirements of the Canadian market protects the public against excessive prices.

At many sessions of the Committee farmers asked that manufactured products be marked as to the character of the material in their composition. Various materials enter into many manufactured articles. Boots and shoes are an illustration. The materials entering into their manufacture have not been standardized in any country. The competition met by the Canadian manufacturer comes from the United States and Europe. The best protection the purchaser can seek under the competitive system is the plan of dealing with established, reputable manufacturers and merchants.

The price of farm implements was a subject referred to at most of the meetings. Implement makers assured the Committee that never in the history of the industry was Canadian demand for machines of every class at so low an ebb as now. The implement manufacturers cannot make overhead upon their export business and in order to stimulate sales a reduced price list for the principal

machines sold in Canada was agreed to. This reduction came in December. The following statement from the Massey-Harris Company indicates the extent to which reductions have gone:—

6 ft. binder, 3 horse, reduced by.....	\$10 00
No. 21, 20-section mower “.....	4 50
No. 3, 30-tooth rake, “.....	2 00
No. 2, 6 ft. hay loader, “.....	5 00
No. 8, 12-disc harrow, “.....	2 50
No. 7, 13-tooth cultivator, “.....	3 00
No. 8, corn cultivator, “.....	2 00
No. 5, 11-disc drill, “.....	2 50
4½ h.p engine, “.....	15 50
3½ in. 2½ x ½ in. wagon “.....	5 00
Farmer's Friend gang plow “.....	5 00
Walking plow, “.....	75

A comparative list of prices was also supplied by the Cockshutt Plow Company, as follows:—

	1924	1925
6 ft. binder.....	\$222 00	\$199 00
5 ft. standard mower.....	87 00	80 00
Corn binder.....	223 00	200 00
9 ft. Tiger rake.....	46 00	42 00
Side delivery rake and hay tedder.....	119 00	115 00
Rake bar loader, 6 ft.....	132 00	121 00
9 ft. 27-roller.....	81 00	78 00
No. 7, 13-disc drill, 6 in. spacing.....	145 00	137 00
No. 4, 13-disc drill, 7 in. spacing.....	146 00	140 00
No. 4, 13-hoe drill.....	135 00	131 00
No. 5, 13-disc drill.....	180 00	163 00
No. 5, 13-hoe drill.....	167 00	156 00
13-tooth broadcast seeder.....	114 50	102 00
No. 2, spreader.....	173 00	163 00
Corn planter.....	92 00	83 00
No. 2, corn cultivator.....	70 00	67 00
No. 5, corn cultivator, 2-row.....	95 00	88 00
No. 3, 13-tooth Champion cultivator.....	76 00	69 00
No. 1, 9-tooth Climax cultivator.....	89 00	82 00
No. 1, 13-tooth Climax cultivator.....	103 00	98 00
17-tooth Champion cultivator, power lift and engine hitch.....	110 00	98 00
No. 3, 12 x 16, disc harrow.....	54 00	49 00
No. 4, 12 x 16, disc harrow.....	44 00	42 00
Double disc harrow, No. 1, 12 x 16, and No. 4, 14 x 16.....	101 00	80 00
No. 16, scuffler.....	13 00	12 00
16-tooth springtooth harrow, 1½ in., steel frame.....	17 00	15 50
Diamond harrow sections.....	6 00	5 00
Scotch clip harrow sections, 20-tooth, ½ in. bar.....	7 25	6 50
Lever harrow sections.....	13 50	12 00
17-tooth lever spring tooth harrow.....	34 00	31 00
Harrow carts.....	16 00	15 00
Weeders, 8 ft.....	18 00	25 00
Double hopper pulper.....	22 50	21 00
Wheelbarrow.....	7 00	7 00
No. 80, tractor plow, 10 x 12 in.....	105 00	95 00
Beaver gang.....	97 00	85 00
Ontario footlift gang.....	120 00	110 00
“ “ sulky.....	84 00	74 00
Beaver sulky.....	64 00	59 00
Maple Leaf gang.....	54 00	50 00
No. 21, plow.....	21 00	19 00
No. 4 gear, 3½ in. x 2½ in.....	107 00	96 00

The Committee visited the farm implement factories, saw the employees at their labour and were afforded all information required. No other conclusion can be come to than that implement factory hands are not receiving unreasonable wages. They are not organized, with the exception of moulders who are partially organized.

Two factors were emphasized by rural witness in respect to the implement industry—agents' commissions and high cost of repairs. The experience of implement makers is that the business cannot be carried on satisfactorily without local representatives. Various mail order houses have endeavoured to carry on the sale of agricultural implements but none of them have been successful, the reason being that they are unable to give the required service to the customer in the field. This is an important consideration to the purchaser of an agricultural implement. It is important that stocks of repair parts should be conveniently located so that farmers can get prompt service during the busy season. Local agents carry more or less extensive stocks for repairs, although complaint has been made that frequently they have to order by express before field service can be rendered. A good deal has been said to the Committee by farm witnesses about standardization, but all enquiry that has been pursued leads to the conclusion that standardization is an aim not easy of accomplishment. Experimental work in this direction is in progress and those engaged in it best understand the difficulty of the task they have undertaken. It appears to this Committee that the practical remedy for agents' commissions is the formation by the farmers of a co-operative buying agency.

The implement makers correct the statement that machines are sold more cheaply abroad than at home. The following table gives the prices at which the principal Massey-Harris machines are sold in Ontario and abroad:—

Machine	Ontario	Great Britain	France	Australia	Argentina
6 ft. binder with sheaf carrier and truck.....	\$251 50	\$299 38	\$320 51	\$462 18	\$428 00 (less truck)
8 ft. binder with sheaf carrier and truck.....	281 50	318 54	362 14	559 48	502 00 (less truck)
5 ft. mower.....	96 00	135 32	105 73	192 17	180 00

It is stated, in addition, that most countries have a dumping clause in their tariffs which would prevent Canadian implement manufacturers exporting at lower than home prices.

INTEREST RATES.

References were made to the comparative scarcity of money at reasonable interest rates for farm credit. In this connection the chairman of the Agricultural Development Board declares the experience of the Board indicates that in many sections of the Province there is very little local money available for farm mortgages, and the money available under the Board at six per cent. has had a steadying influence on interest rates. Ontario farm mortgages are the safest kind of investment. The secretary of the Association of Mortgage Companies gave the following evidence on September 3rd:—

There is no class of security we like better to lend on than farms.

Q.—What are the rates of interest?

A.—Seven per cent. is the prevailing rate, with certain six and a half per cent. loans, by companies located in Toronto. I do not know what companies outside Toronto are lending at. The rate is governed by the cost of money to us.

Q.—That is six and a half per cent. to farmers? A.—Yes.

Q.—Covering five to ten years? A.—Yes.

Q.—Do you see any tendency to the lowering of interest rates?

A.—There has been a lowering and there should be a lowering. Our money comes mostly from England and Scotland on what we call our Scottish debentures and on account of the war and the rate of sterling exchange we have not been

able to bring out money and the result is money is lying over there uninvested and when we can bring that out at a cheaper rate we can lower the rate here.

Q.—But looking at it from the standpoint of the farmer, any one that is interested in borrowing had better borrow on short terms or with the option of paying off in a short time because the probability is interest rates will be reduced?

A.—If anything they should come down.

W. A. AMOS, President, U.F.O.:—Might I ask if the secretary does not find that diminution in the business of farm loans has been due to loan company rates as compared with the possibilities of borrowing money at country points?

A.—Quite, we are absolutely governed in our rates by the cost of the money to us, and when a man can borrow from his neighbour or from somebody at a lower rate, we cannot reduce our rate to meet him. Instead of trying to meet him and cutting our rates, our borrowings in England or Scotland are restricted.

MR. AMOS: So you are not leaving the impression that the demand for loans is less than it has been?

A.—I rather think that the demand is somewhat less from the fact that a great many more farmers appear to us to have their farms free from encumbrance.

MR. AMOS: Has your association any definite figures as to the diminution of farm loans?

A.—I do not think it would be possible to get more than an approximate idea. I would say, roughly, that where up to 1900 the bulk of loan companies money in Ontario was invested in farms, now a very small percentage of it is. That is about as much as I can say. Probably now twenty-five per cent. whereas the larger part used to be.

MR. AMOS: Yes, but you would not say that that was any proof that the volume of farm loans had changed; that would be only relative loans on the farms as compared to the bulk of loans to industry, and if the bulk of loans to industry had increased that would not prove anything?

A.—I do not suppose the aggregate amount of money invested by loan companies to-day is proportionately greater compared to the growth of the country in the past fifteen years. There has not been any great increase in the amount of money on mortgage through loan companies.

With the restoration of sterling exchange the prospects in January were bright for a considerably increased volume of British funds being made available in Ontario with a resultant drop in mortgage rates.

The need of a spirit of co-operation between bankers and farmers in connection with short term loans was stressed at many meetings. Banking credit of this description cannot be overlooked as a factor influencing efficiency of farm production, and the Committee regrets that constructive suggestions were not made by any representative of the Canadian Bankers' Association in response to the Committee's invitation.

Respectfully submitted,

D. JAMIESON, *Chairman*.

T. A. THOMPSON,

N. W. TREWARTHA,

W. D. BLACK,

WM. KEITH,

M. M. MACBRIDE,

J. G. LETHBRIDGE,

A. BELANGER,

P. F. CRONIN, *Secretary*.

APPENDIX.

Statement by Col. W. J. Brown, President, Western Ontario United Boards of Trade, June 13th, 1924.

For five years the Western Ontario United Boards of Trade, an association with which some twenty Boards of Trade and Chambers of Commerce are affiliated, have been studying the problem of rural depopulation in the fourteen counties, namely, Essex, Kent, Elgin, Norfolk, Lambton, Middlesex, Oxford, Brant, Huron, Bruce, Grey, Perth, Wellington and Waterloo.

The region of Western Ontario represents roughly about a third of the more thickly settled sections of the Province. We have about 28 per cent. of the population according to the census of 1921, but only 3 per cent. of the land area in square miles of the whole Province. We have 28.27 per cent. of the Provincial assessment; we pay 25.97 per cent. of the municipal taxes and 26.44 per cent. of the school taxes. In assessed acres we have 32.24 per cent. of the rural area; 43.9 per cent. of the clear acreage; 42.82 per cent. of the field crops; 43.86 per cent. of the value of field crops, namely, \$97,960,147; 44 per cent. of the cleared pasture acreage; 47 per cent. of the orchard acreage; 41 per cent. of the small fruit acreage; or an average of 45 per cent. of all field crops. This section produces 80 per cent. of the beans, 62 per cent. of the flax, 78 per cent. of the corn for grain, 88 per cent. of the sugar beets and 30 per cent. of the potatoes grown in the Province. We have in these counties about 49 per cent. of the live stock of the whole Province. In addition there are certain agricultural industries peculiar to Western Ontario, for example, condensed and powdered milk—value in 1922, \$2,600,000; celery value in 1923, \$120,000; onions, \$288,000; tobacco, \$2,240,000; flax fibre about \$253,000. The manufacturing establishments in this area, considered from the standpoint of number of employees and amount of wages paid, are equal to between 26 per cent. and 27 per cent. of the total for the whole Province. Certain special industries not previously referred to which yield considerable wealth are salt, crude petroleum and natural gas. About a third of the fish for the Dominion are caught in adjacent waters.

The fourteen counties constitute a community and may be treated as a unit. When considering this area we are studying the conditions that prevail in practically a third of the whole Province. The shrinkage of rural population from 1901 to 1911 was 48,666, from 1912 to 1921, 38,113, or 86,779 in the twenty years. The farmers of this area are severely handicapped because of the lack of competent farm help. This is true despite the efforts of the Provincial Immigration Department. Comparatively few farmers are planning to utilize help because they cannot get it and have changed their methods of tillage and their whole system of farming accordingly. They lay down large acreages into grass and have reduced to a minimum all farm operations requiring labour. They get along by exchanging work with one another during haying and harvesting, but for the most part on farms of average size the farmer and his family do all the work. We have one of the largest agricultural areas on the continent of America, capable probably of supporting the whole of the present population of the Dominion of Canada and yet the evidence before us shows that in the aggregate large acreages are standing idle and production is on the decline. The reverse should be the case because of the proximity of the Agricultural College and because of the magnificent work that the experiment stations have done during recent years. Agricultural science and research have made marvellous

strides in the last generation, but it is difficult to apply scientific principles to agricultural practice and to make farming as profitable as it should be on account of the inadequate supply of farm labour. Another phase of this problem intimately related to what I have already said is that of the need of help in the farm homes. Time and again the statement has been made in women's conventions that they cannot raise a family of children and do the work of the farm home without more help. It is clear that unless a change takes place our population will suffer and all lines of business and industry will be seriously curtailed.

The United Boards of Trade sent out a questionnaire to 157 township clerks of our constituency and received 122 replies. These showed that at the present time farms aggregating 229,607 acres are for sale, 92,720 acres are included in unoccupied farms exclusive of farms abandoned as useless, 152,200 acres in pasture in excess of actual requirements.

A few details, as examples, from the replies to these questionnaires may be of interest:—

(a) In the matter of cleared land in pasture over necessary requirements, or idle land which may be cultivated, the incomplete returns show that Bruce has 31,000 acres; Wellington, 20,000; Grey, 13,300; Norfolk, 9,400; Essex, 6,600 and Oxford, 5,500.

(b) With reference to the vacant or unoccupied farms, not including abandoned farms, Bruce county shows 10,600; Huron, 11,050; Middlesex, 33,450; Kent, 4,000; Elgin, 3,000; Brant, 3,300; Perth, 4,000; Wellington, 7,000.

(c) In reply to the question re occupied farms for sale, the total has been given as more than 229,000 acres—certainly an under-estimate. However, the counties in this respect are recorded as follows:—Wellington, 76,000; Middlesex, 23,000; Huron, 22,000; Perth, 19,000; Grey, Bruce and Brant about 12,000 each; Elgin, 11,000; Essex, 9,000; Lambton, 8,000; Kent, 7,000.

(d) The requests for farm help from each township were disappointing, due to the fact that methods of farm practice have been changed on account of the scarcity of labour. However, 1,000 men can be placed in Western Ontario immediately—an absurdly small number. One county made a survey recently with reference to this particular question and found that the farmers are ready to employ 550 men in that county alone. If a similar survey were made throughout the other counties we should probably find between 7,000 and 8,000 men are necessary to provide adequately for the rural labour needed in this section. Several townships reported that many more men could be used, but the farmers are not in a position to pay the wages asked. Rural labourers, in demanding wages, often have in mind urban conditions, which are entirely different. At the end of the year the rural labourer is further ahead and has more money saved than a workman of corresponding skill receiving twice the wages and living in a town or city.

(e) We endeavoured to ascertain the number of vacant houses which could be utilized for married men who might hire to local farmers. The answers to this question are also disappointing. Apparently a great many rural residences have been torn down or turned to other uses because of high taxes. However, there are practically a thousand such houses available in this section. Huron County has 192, Middlesex 146, Norfolk nearly 100, and other counties smaller numbers. It is suggested that additional cottages erected on farms for the use of the farm help should be exempt from taxation.

(f) From almost every source we have been informed that there is a great dearth of men for rural trades. It is exceedingly difficult for farmers to get their buildings repaired, their fences built and other necessary work of a similar character done by competent men. The answers to the questionnaire revealed that there is a pressing demand for forty-seven blacksmiths, eight wheelwrights, nineteen house builders, thirty-two masons, eighteen house carpenters, thirty-three general carpenters, shoemakers, harness repairers, painters, decorators, paper hangers and men who are skilled in drainage work.

While with improved machinery it is not now necessary for so many men to be employed on the land to produce the same crops as were formerly produced, yet it is impossible for one man to work successfully 100 acres or more under the prevailing conditions of diversified farming. The weed problem alone is a menace to the future of agricultural prosperity. The land in Western Ontario will respond to intensive cultivation.

Anyone who is acquainted with the situation knows that we are not at the present time replacing the farmers who have given up farm work on account of age. The whole country is gradually being put under grass and the time is not far distant, unless a change occurs, when there will be such a small quantity of food products available from this section and so little marketing done that every manufacturing and commercial establishment in this area will have to curtail their production for local markets because of the lack of purchasers for their goods. It is hoped that there will be an effort to supply the demand for farm labour, that new methods of marketing may be brought into use and that the demands of export trade will be the guiding principle in production. But, considered from all points of view, it may be stated without fear of contradiction that rural depopulation is a social and economic calamity which must be checked if the future prosperity of this country is to be assured.

*Statement by President Reynolds, Ontario Agricultural College,
September 2nd, 1924.*

The movement of population cityward is not a drift but an adjustment brought about by intelligible causes:—

1. The adoption in recent times of labour-saving machinery for farm work. This machinery increases the productive power per man on the farm and lessens the number necessary to produce a given quantity of food.

2. The spread of agricultural science (or knowledge) resulting in more economical and more productive farm management, for example, improved varieties of cereals, roots, grasses and clovers introduced by the Agricultural College; better live stock; more effective soil management (crop rotation rather than summer fallow), with better control of weeds and soil fertility; more effective orchard management (pruning, spraying, cultivating, cover crops); the use of nitro-cultures on clovers and other legumes to insure an abundant crop; all these and many other forms of better farming increase productive power per man and lessen the number of producers necessary.

3. The decline of domestic farm industries (spinning, buttermaking, sugar making, soap making, canning and preserving).

4. The tremendous industrial development in towns, requiring all kinds of skilled and unskilled labour. These industries have manufactured in towns and

cities the implements used on the farm and have thus been the occasion of transferring labour from the farm to the factory.

5. Factories for manufacturing dairy products, woollen mills, canning factories, etc., have transferred industry from the farm home to the town factory.

6. The growth of towns consequent upon the industrial development has meant a great building programme of factories, office buildings and dwelling houses. This building programme sets up a competitive bid for labour and reduces the number of people seeking work in the country.

7. Amalgamation of industries (combining a number of small shops and factories with one large concern so as to produce more cheaply, it is alleged, through mass production) has closed most of the small village shops (shoe making, blacksmithing, tailoring, wagon making) and has reduced the population of villages that are counted among the rural population, while increasing the population of towns and cities.

8. The standard of living has been rising among both town and country people. The higher standard of living demands services of mechanical and professional character, all of which find their location in the larger centres. Doctors, dentists, nurses, barbers, professional amusement purveyors, confectionery and ice cream manufacturers and vendors, garage operators are giving increasing services to more and more people. These occupations offer allurements that, to the prevailing taste in occupations, are superior to the opportunities of farm life.

9. Agriculture has been and still is largely an unorganized industry. Nearly all other industries and occupations are organized—the trades, manufacturers and professions. An unorganized industry is bound to suffer economically in comparison with organized industries.

10. The farmer produces the raw material of manufacture and commerce. In carrying those raw materials to a finished condition—such as wheat finished into flour and bread, or wool into garments, or hogs into bacon and ham—the intermediate industries, being organized, manage to collect often more than their due share of the value of the finished product, and thus the farmer gets less than his due share.

11. The products of the farm must be graded, packed, shipped, stored and held from one season of production till the next and marketed in an orderly fashion as consumption demands. These intermediate services are usually performed by those called middlemen; and these too frequently manage to collect more than their due share of the ultimate value of the products.

12. Economic necessity compels the farmer usually to sell as soon as his product is ready for the market; for examples, the wheat of the Western farmer, the cheese of the Ontario dairyman are frequently “dumped” on the market during the period of highest production. Buyers who have provided themselves with the necessary capital or credit buy at the low prices forced by the dumping and sell for higher prices in periods of slack production. The unorganized farmer has neither the capital nor the credit to enable him to hold his product and market it to the best advantage.

The first seven of these causes are economically inevitable and, in the main, desirable as evidences of growth and civilized prosperity.

The eighth—elevation of the standard of living—is right within certain limits, but in some forms may be called luxuriousness and extravagance.

The last four causes may be called the economic discouragements or disabilities of agriculture resulting from lack of organization. These disabilities can be removed best by intelligent, united action by the farmers themselves through some form of co-operative marketing.

Statement by Senator G. D. Robertson, August 27th, 1924.

The transportation problem is one of paramount importance to all classes of Canadian citizens. All are concerned in and affected by the cost of transportation and if the publicly owned National System of Railways does not pay its way all citizens as taxpayers must participate in bearing the loss. It has been stated to your Committee that cost of transportation is perhaps the biggest stumbling block to agricultural recovery and that labour costs are in a measure responsible for the increase in freight rates. May I, therefore, deal with two questions, viz., the causes of present transportation costs and whether or not railway employees' wage rates are too high.

Canada has one mile of railway line for every 250 of its population. The United States has over 400 people to support and create traffic for each railway mile. Increased volume of traffic is the first essential to making our railways self-sustaining. If Canada had now 150 more people to each mile of line our railways would be flourishing and rates reduced. The premature construction and necessary continued maintenance of thousands of miles of road that must for years to come be unprofitable is the chief cause of our present predicament. Only those who travel extensively through the newer parts of Canada and see these lines built through country where only one acre in twenty is yet settled realize the tragedy of the railway situation. Only they can fully appreciate the crime of building further unprofitable lines at public expense until the vast spaces now served by existing railways are peopled. This is, of course, a national and not a provincial question. It is, however, of vital importance to the older portions of the Dominion where so large a percentage of railway traffic originates, as rates are fixed to meet the national requirements.

Notwithstanding this serious handicap, rates are to-day lower in Canada than in the U.S.A. This fact is the best possible proof that our railways are efficiently and economically managed, especially when one realizes that, owing to more severe climatic conditions, the cost of operation is substantially greater in Canada.

Agricultural interests in Ontario feel that existing freight rates are oppressive. There is much to justify that view. Apart from the general and fundamental cause of high rates already mentioned, it is to be remembered that the railway companies proposed substantial reduction in rates to apply all over Canada which, with the approval of the Board of Railway Commissioners, they were prepared to make effective. Just at that time the Federal Government, wisely or otherwise, put in force a drastic cut in grain rates in Western Canada which caused the railways a loss in revenue of over \$25,000,000 in 1923. Because of this it was, in the opinion of the Railway Commissioners and the railways, impossible to reduce rates generally as intended. According to evidence submitted to the last Federal Parliament from two different sources the rate adjustment saved the farmer eight cents per bushel, which materially aided the agricultural industry, though not in Ontario, which is the Committee's chief concern in this enquiry.

Turning now to the question of railway employees' wages and their effect on railway rates. There are, roughly, 200,000 railway employees engaged on Canadian railways. They receive wages comparable to those paid by United States lines, though justly entitled to higher compensation owing to more rigorous climate and consequent higher living costs. During the war both rates and wages advanced. The wage increases followed but never overtook the rise in the cost of living, nor did they ever equal the rise in the prices of farm products during that period.

The peak was reached in both wages and cost of living in 1920. Since 1920 the wages of railway employees have been very substantially reduced and the terms of employment so altered as to cut their earnings between forty and fifty million dollars a year. On July 16th, 1921, the wages of all railway employees (not including officials) were reduced on an average of \$13 per month, or, roughly, thirty million dollars annually. The railways demanded this reduction, not because of any existing or imminent rate decrease, but because the cost of living had declined. In 1922 further downward revisions of wages and earnings occurred, so that at the present time the railway employees are giving the equivalent of their 1920 service for approximately forty-five million dollars less money.

Two years after the universal wage reduction the railways were hit by a substantial rate cut on grain in the West, causing them a loss of twenty-five million dollars last year in freight earning, which amount remained in the farmers' pocket.

When it is remembered that the railways had already saved sixty million by reason of the 1921 wage cut, to say nothing of the further reduction in 1922, it must be obvious that the employees had already paid the railways loss of 1923 account of rate decrease more than twice over. The simple fact and net result is that there was transferred to the pocket of the farmer twenty-five million dollars, or about one-third of the amount already deducted from the employees since 1921. Although Ontario agricultural interests have not profited by the rate reduction of the West, the railway employees in Ontario have contributed their full share of the wage losses.

To enable your Committee to intelligently judge as to the fairness, or otherwise, of the prevailing wage rates a few simple statements of fact may be helpful.

The prevailing rate for unskilled labour engaged in improvement and maintenance work on railways in Ontario in 1924 has been twenty-five cents per hour. From this \$5.50 per week is deducted for board, leaving the employee \$6.50 per week net. The railways have this year paid this rate to thousands of men, which is about half the wage paid civic labour and about half of what might be regarded as a reasonable minimum living wage under existing living costs. Rates for clerical employees range generally from \$70 to \$100 per month in Ontario, and these constitute a numerous class principally located in towns and cities. Calculate the cost of renting, heating and maintaining the humblest home in Toronto and the conclusion will quickly be reached that it cannot be done on the salary quoted. Permanent maintenance way men, numbering approximately 25,000 in Canada, receive forty cents per hour or slightly less,

equal to \$80 per month, and these may be reasonably compared with the clerical staffs. Next may be considered 36,000 shop employees, all skilled workmen, who, if steadily employed, would earn an average of about sixty cents per hour or \$120 per month. These are largely married men with established homes and families. At present, owing to depression in business, these staffs are largely unemployed or working part time so the available employment may be spread over as many as possible and help all to exist. In engine and train service the same condition exists, a substantial proportion working only part time, as they are paid by the hour or miles run, and when business is dull are not called, hence not paid. The locomotive engineer, regarded by the public as the most highly paid class of railway employee, receives less per hour for his services than skilled workmen in many other lines, and less, for example, per hour of service than the ordinary village school teacher.

Probably the most accurate and reliable information on the subject is to be found in the Annual Report of the Department of Railways and Canals, where a complete classified statement appears showing that the average wage of all the employees in all classes of service from the President to the messenger boy, both inclusive, was sixty-four cents per hour or \$127 per month. Deduct from this the cost of rents, fuel, expenses away from home on the line, heavy insurance rates because of hazardous occupation, and the amount left on which to maintain and educate a family becomes small indeed if all received even the above quoted average wage.

To further decrease wages will surely not solve the transportation problem. On the contrary such a course would inevitably aggravate it. The successful operation of a railroad depends upon the loyalty, efficiency and honesty of the employees more than on anything else. Canadian railway managements have accomplished wonders in this direction. It is surely true to say that but for the splendid spirit of confidence and co-operation that has been and is now established between managements and men on both large railways, freight rates would now be higher or deficits greater.

It is worthy of mention that railway wages are affected by and fluctuate with the cost of living. They never have been fixed as a result of the rise or fall in railway rates. If the agricultural interests would now propose an increase in rates on grain because the price of wheat is thirty cents per bushel in advance of last year, then there might be some justification for holding that wages should similarly fluctuate. The object sought by the Committee of ascertaining the facts is wholly commendable and the spirit in which the members seem to approach the task laudable in the extreme. Both management and men are bending every energy to increase traffic and give service, thus reducing operating costs and rendering rate reductions possible. May it not be thought presumptuous for me to suggest that, instead of spending time and energy discussing whether the public should pay the necessary tolls to enable the railways to live or the employees pay the piper through reduced wages, attention to the larger questions of creating traffic to make existing lines pay and stopping foolish capital expenditure on unprofitable extensions would be more useful. Would not the formulation and support of policies calculated to increase population, stimulate industry and double traffic on existing lines be the better method of approach and best serve the object the Committee has in view?

Statement by C. F. Needham, Assistant to General Manager, Canadian National Railways, Toronto, November 26th, 1924.

In endeavouring to reach a decision as to whether or not wages paid railway employees are higher than they should be, we must necessarily give great weight to comparisons both in respect to wages paid in other industries and wages paid the same class of employees during some previous period. The following figures are reported in the Canadian Annual Review, year 1923 (page 262), and illustrate the increases to employees on steam railways as compared with other general classes of employees during the ten years from 1913 to 1923:—

Class	Increase
Building trades wages.....	66.4%
Metal “ “.....	74.0%
Printing “ “.....	88.9%
Electric railways “.....	86.2%
Steam railways “.....	57.4%
Coal mining, “.....	97.8%
Common factory labour.....	81.7%
Miscellaneous factory trades.....	96.1%
Lumbering.....	70.4%

It will be noted that these figures indicate that the increase in wages of employees on steam railways is lower than the increase in wages of any other general class of employees mentioned during the ten years period.

The index numbers of wholesale prices compiled by the Dominion Bureau of Statistics and weighted according to commercial importance of 238 commodities which it includes show a rise of 53.0 per cent. comparing the year 1923 with 1913. This increase of 53.0 per cent. in wholesale prices of commodities closely approximates the increase of 57.4 per cent. in the wages of steam railway employees during the same ten years period, but is considerably exceeded by the increases in wages of all the other classes of employees mentioned.

During the ten years period the working hours per day of railway employees have been decreased and the eight-hour day is generally in effect. Previously where continuous operations were necessary, as, for instance, in the main yards, roundhouses and telegraph stations along the line, the twenty-four hours of the day were covered by two assignments of twelve hours each (or eleven hours and thirteen hours), whereas now there are three assignments of eight hours each. In cases where the services of the employees are intermittent, such as at certain stations along the line or on certain runs in train service, the employees are paid for eight hours with a spread of ten or twelve hours, i.e., they may have broken periods of service and any time off duty between such working periods, provided the break is in excess of one hour, is not paid for.

In any criticism of the wages paid to steam railway employees those engaged in train service usually receive special mention as being in receipt of excessive wages. The employees in this class of service are generally paid on a time-mileage basis, that is to say, they are paid on the basis of a standard day consisting of a given number of hours or a given number of miles, but the given number of miles may be actually run in less than the given number of hours constituting the standard day; of course, miles made or hours worked on a trip

in excess of the standard day call for additional payment. The standard day and rates of pay generally in effect for this class of employees are:—

Class	• Rate per mile cents	Hours and miles per standard day		Earnings per standard day
Passenger conductors.....	4.27	7½	150	\$6 40
Baggagemen.....	3.04	7½	150	4 56
Passenger brakemen.....	2.93	7½	150	4 40
Through freight conductors.....	5.80	8	100	5 80
“ “ brakemen.....	4.48	8	100	4 48
Wayfreight conductors.....	6.32	8	100	6 32
“ brakemen.....	4.88	8	100	4 88
Passenger engineers.....	6.08	5	100	6 08
“ firemen.....	4.64	5	100	4 64
Through freight engineers.....	6.64	8	100	6 64
“ “ firemen.....	4.88	8	100	4 88
Wayfreight engineers.....	7.16	8	100	7 16
“ firemen.....	5.28	8	100	5 28

In the case of engineers and firemen the rates are graded according to the capacity of the locomotives, and the rates quoted are those for the average capacity locomotive.

The employees in train service (except those assigned to regular runs) are subject to call at all hours. They are paid only for the service actually performed and take the work in turn, with the result that there are portions of the month in a great many cases during which the men perform no service and earn no wages, although they are at home and subject to call. Again, these employees bear out of their own wages their living expenses while away from their home. The assignment of service is according to seniority and, of course, the senior men naturally choose the most favourable runs. Runs in passenger service are usually considered the most preferable, and hardly without exception the men assigned to such runs are those who have been in the service for a great many years. The employees in this class of service, of course, assume great responsibility, and it is only reasonable that their rates of pay should be somewhat commensurate therewith.

The railway managements are alive to the importance of making adjustments in the wages of their employees from time to time as conditions warrant. The wages of practically all railway employees have been reduced since the year 1920, and as indicated by the “Canadian Annual Review,” year 1923 (page 262) the decreases in the wages of steam railway employees have amounted to approximately fifteen per cent., that is comparing the wages for the years 1923 and 1920.

Portions of the Canadian owned railways are located in the United States and considerable international traffic is handled, that is, considerable traffic moves over railways in the United States as well as over railways in Canada between the points of origination and destination and in many cases the trains are operated on international runs. Consequently the adjustments in wages of railway employees in Canada have to a considerable extent been influenced by the adjustments made in the wages of similar classes of employees on railways in the United States, and in making such adjustments it has been the practice to take into account:—

- (1) The scale of wages paid for similar kinds of work in other industries.
- (2) The relation between wages and the cost of living,
- (3) The hazards of the employment,

- (4) The training and skill required,
- (5) The degree of responsibility,
- (6) The character and regularity of the employment,
- (7) Inequalities in wages or treatment resulting from previous adjustments, or other relative circumstances.

On the whole, employees on the railways in Canada are paid a somewhat lower scale of wages than apply to similar classes of employees on the United States railways.

It therefore seems possible to reach only the one general conclusion, namely, that excessively high wages are not being paid to employees on the steam railways in Canada and that the managements of the Canadian railways have consistently taken action to insure that the wages of their employees did not exceed wages that might be considered fair and reasonable for the nature of the service performed.

Statement by the Department of Labour, Ottawa.

Average Earnings per hour of certain classes of Railway Employees
(compiled from annual reports of the Dominion Bureau of Statistics).

	1917	1918	1919	1920	1921	1922	1923
	c.	c.	c.	c.	c.	c.	c.
Conductors, passenger.....	58.9	55.2	79.8	95.3	98.8	92.2	93.4
“ freight.....	48.3	56.0	67.8	88.7	88.3	82.9	83.2
Brakemen and flagmen, passenger.....	37.2	36.6	55.6	69.0	70.3	64.7	65.5
“ freight.....	32.4	33.8	53.7	69.4	69.6	68.0	64.9
Baggagemen, train.....	37.5	35.9	56.0	71.9	71.8	66.6	66.9
Engineers and motormen, passenger.....	68.8	83.8	101.7	124.2	128.9	125.1	126.2
“ freight.....	53.8	66.0	79.8	102.8	101.4	98.1	98.6
Firemen and helpers, passenger.....	41.3	55.9	76.7	96.1	98.1	94.3	94.1
“ freight.....	36.4	43.7	60.7	78.2	77.0	72.9	73.4
Telegraphers, railway.....	30.8	38.2	60.8	67.0	74.7	69.2	68.3
Section foremen.....	27.9	31.4	63.5	61.3	61.7	55.4	55.9
Section men.....	20.6	23.7	36.6	45.9	42.6	36.3	36.4
Boilermakers.....	39.4	45.5	60.0	82.1	85.4	78.3	73.5
Blacksmiths.....	25.0	42.3	68.0	81.0	84.3	77.0	73.2
Machinists.....	42.2	46.7	68.5	81.1	84.0	78.0	73.0
Carpenters.....	30.4	36.8	58.1	74.0	75.2	67.9	65.1
Painters and upholsterers.....	29.6	36.2	59.7	74.8	77.7	70.1	67.3
Car repairers.....	26.3	32.1	54.2	72.5	74.5	67.4	64.0

The increases in average earnings per hour are due partly to the adoption of the eight-hour day in 1918, and later one and one-half times the regular rates for overtime work, and partly to other changes in working conditions. Most of such changes in overtime and other rules were made with a view to lessening excessively long hours in the railway service.

Statement by the Ontario Division of the Canadian Manufacturers' Association, August 27th, 1924.

The subject under investigation is one in which manufacturers are very deeply concerned because the prosperity of our shareholders and employees, indeed of all urban dwellers, depends upon the prosperity of those with whom we trade.

We very freely admit that there are many who are more competent to tender advice on agricultural subjects than those whose attention is constantly engaged in the problems relating to the production of manufactured goods. Anything, therefore, contained in this statement is submitted with due deference to those who have given particular study to agricultural problems and from whom your Committee will receive many practical and constructive suggestions.

The association is impressed with the great necessity for a real spirit of co-operation amongst all producers. We have met with representatives of other interests on numerous occasions and have been able to reach, through reasonable compromise, constructive conclusions. The association desires to join in any conferences which may have as their object the improvement of agricultural and industrial conditions in Canada.

It may not be out of place to say that the Canadian Manufacturers' Association for many years, going back to the days when the Railway Commission was first appointed, has maintained a transportation department as one of many other activities. The organization of this department was the first movement in Canada to consolidate in a practical way the views of the shippers. It has been represented before the Railway Board on every traffic case since its organization. While it has not necessarily opposed increases in rates demanded by the carriers, it has insisted that all increases and changes in rates be justified, and we have reason to believe that the work of this department has been of distinct advantage to all the people of Canada.

A short time ago, Mr. Amos, the President of the United Farmers of Ontario, and Mr. Ward, Secretary of the Canadian Council of Agriculture, spent several hours in consultation with this department in respect to matters arising out of the Express Rates Case. In the hearing before the Board on March 19th last, Mr. Ward made the following statement:—"I want to express the very cordial thanks of the organized farmers of Canada to the Canadian Manufacturers' Association . . . for the great service they are rendering to the people of this country in bringing out the true facts in this case."

This is mentioned as one of the many cases in which there has been practical co-operation.

Having regard to the contribution of the Canadian Manufacturers' Association to this conference, we wish to direct the attention of this Committee to a paragraph in the memorandum which accompanied the invitation to come here, namely, "that the farmers are not disappointed and have no complaint to make of lower prices of their products . . . on the contrary the prevailing range of prices is considered high enough. The farmers' difficulty is encountered when he enters the market to buy." The interpretation that we must place upon this is that the opinion is held by the farmer that he is unable to get sufficient of the goods produced by others in exchange for the goods he produces, or, in other words, that the prices of manufactured goods are out of line with the prices of agricultural products. In reaching this conclusion he no doubt contrasts conditions which obtain to-day with those which obtained in 1913.

The Dominion Bureau of Statistics has recently issued a comprehensive survey of prices and price indices, 1913-1923. It will be observed on page

35 of this publication that the prices of farm products and manufactured articles have followed somewhat similar curves since 1913 except that in the downward tendency the latter receded to an index number approximating 158 as compared with 128 for farm products, a spread of about thirty points. While manufactured goods show a price increase of fifty-eight points over 1913 prices, the labour cost on the average of all employments shows an increase of seventy-eight points. As the wage cost is about twenty per cent. of the value of manufactured goods which pass through the processes in our manufacturing plants, about fifteen points (twenty per cent. of seventy-eight) of the increased price of manufactured goods is accounted for.

Having regard to the remainder of the spread, it should be borne in mind that during the past few years we have had a great deal of legislation, some of which might be described as social legislation, some of it having more or less bearing upon industrial activities. We do not desire at this time to criticize this class of legislation. Some of it is no doubt capable of improvement, some of it may be of service to the community, but practically all of it adds to the cost of doing business, either through direct assessments or taxation. Prior to 1914 the cost of industrial accidents was borne to a large extent by the general public. These costs, since the Workmen's Compensation Act has been in force, are absorbed in the price of manufactured goods, and during 1923 the sum of those costs amounted to \$6,173,861. The Minimum Wage for Women Act applies to the wage costs of practically all manufactured goods. The Factory Act and its regulations requires a high standard of manufacturing and sanitary equipment, all of which bears upon costs of production. The inspections under the Steam Boiler Act have to be paid for. The Food and Drugs Act requires a high standard of food and drug production. The public demand for food in sealed packages adds to the cost of these goods.

Added to these we have numerous forms of taxation. The Sales Tax has been a direct burden of six per cent. upon manufactured goods, and in 1923 the goods sold in this Province contributed \$32,000,000 to the public revenue. This tax has subsequently been reduced to five per cent. Taxes by way of licenses, matches, automobiles, confectionery, playing cards, cheques, together with excise taxes and sales taxes collected by the customs accounted for \$20,000,000 more. A further \$31,000,000 was contributed by this Province in Federal income taxes. Municipal taxation in Ontario bears heavily upon industrial production. Under the business assessment and municipal income tax greater contributions to the public revenue are exacted in this Province than in other provinces where there is no municipal income tax and the business tax is imposed on a much lower scale.

A manufacturing corporation located in the city of Toronto pays, under Federal legislation, corporation income tax, sales tax, excise taxes on telegrams, cablegrams, railway tickets, cheques, etc.; under provincial legislation, workmen's compensation assessments, licenses, inspection fees, incorporation or registration fees; under provincial legislation to the municipality, property taxes, business taxes, and its shareholders who are resident in the Province are taxed on industrial dividends.

We do not come here solely as representing capital, but rather as representing that factor in industry which may be described as management. We are in the

position of hiring capital from shareholders or investors and of being extensive borrowers from banks. Capital demands a fair return and the cost of financing with financial institutions is in general terms higher than in pre-war days. On the other hand, management is engaged in employing and directing the operations of labour and our workers in industry are entitled to receive a wage commensurate with the high standard of living which obtains in this Province.

All of the imposts that we have referred to must necessarily be borne in the cost of producing goods and absorbed in the price which consumers pay. We are not able to make them up by reducing wages nor can we shift them to the capital in the business because under such circumstances workers would not remain in our employ and capital would very soon be withdrawn from our business.

The increased cost of transportation of materials both inwards and outwards is a matter of very great importance to consumers. It is equally as important to farmers that they should give consideration to freight rates on the goods they buy as they do to the goods they ship. Agricultural interests have succeeded in getting substantial reductions in freight rates on some of the commodities they ship. For instance, the reinstatement of the Crow's Nest Pass rates on grain in the western provinces brings these rates back to practically the pre-war level. Rates on live stock have been reduced to within thirty-three per cent. of the pre-war level. The carriers state that the loss in revenue to them by these reductions has prevented reductions in rates on other commodities. We might take as an example fifth class rates, which cover groceries and hardware largely, a considerable portion of the merchandise which moves from manufacturers through the usual channels to consumers. These rates are about eighty-five per cent. higher than pre-war rates. While, by comparison with other rates, there is reasonable ground for reduction in these rates, the necessity of the carrier's revenue has been pleaded as the principal reason for their continuance.

Another important point is the increased cost of cartage on freight shipments. Up to about 1907 the carriers absorbed the cartage cost in the larger municipalities on all inward and outward freight. The cartage companies handling the business for the railways charged a rate of half a cent per 100 pounds. The costs involved in this service gradually increased. It became necessary for the cartage companies to get one cent per 100 pounds, and the railways ceased to absorb it. By successive steps these charges have increased until they are now five cents to seven cents per 100 pounds, the higher figure applying in the larger centres.

It will thus be observed that there are many and varied factors which bear directly upon the production and distribution of manufactured goods. The burden accumulates as materials pass from the raw to the further manufactured stage. The farmers' products in their outward movement being raw materials, bear the least proportion of these imposts. If he gains by low rates on his outward movement, it is to a considerable extent offset by the imposts to which we have referred and which must be absorbed in the price and paid by the consumer.

We do not wish your Committee to infer that we are attempting to argue that industrial management is perfect. Industrial management, if it could,

would keep the factories in operation twenty-four hours a day, year in and year out, if society would consume their products. Our loss in efficiency is proportionate to our failure to keep our factories in continuous operation. We think, however, that it can be claimed that manufacturing processes, as a result of intense competition, are compelled to adapt themselves to the most modern methods of production. This is further accentuated by the encouragement given to foreign manufacturers in countries where wage standards are lower, or where large scale production is possible, to invade this market, because of our inadequate customs tariff. It may be interesting to this Committee, having regard to the question of efficiency in manufacturing and distribution, to consider the experience of two classes of industry with which the farmer is closely associated, the packing and dairy industries. There are twenty-seven packing industries in Ontario and 1,056 dairy industries, the former highly developed and concentrated, the latter to a very large extent local and co-operative or owned by the farmers themselves. In 1920 the cost of materials in the dairy industry, or in other words the return to the producer, was seventy-three per cent. of the ultimate value of the product, in 1921 it was seventy per cent., in 1922 it was sixty-seven per cent., that is to say, the farmer appears to be getting a less proportion each year of the amount the consumer pays after these products have gone through the manufacturing processes. In the packing industry the reverse is the case. In 1920, the cost of materials was seventy per cent. of the ultimate value of the product, in 1921 it was seventy-four per cent., and in 1922 it was eighty-three per cent.

We have taken it upon ourselves to contribute this much to your records as an explanation in part of the spread between prices of agricultural and industrial products. As long as we are carrying our huge national, provincial and municipal obligations and until the cost of government is reduced, there is little hope of reducing this spread to a basis comparable with pre-war days, except, possibly, by the refinement of manufacturing processes which come to us more or less gradually through the application of science and invention. We submit, therefore, that the farmer must adapt himself to these changed conditions.

It has been said on behalf of your Committee that "the farm is not producing an average return except in special lines which a large number have been quick to enter." This same thing may be said in a relative sense with respect to industry. Those who have husbanded their resources in prosperous times and who have been quick to adapt themselves to changed conditions have survived, while others have fallen by the wayside.

Thus far we have been dealing with reasons for certain conditions but we have not failed to recognize that your Committee is more concerned with remedies.

We do not need to point out to this Committee that the Canadian Manufacturers' Association is interested in the maintenance of protection in the national interest for economic reasons. We believe that the farmer in this Province needs protection and we consider it unfortunate that the subject, essentially an economic one, has become so clouded with political considerations. We are dealing with agricultural and industrial conditions in the Province of Ontario, but what is good for Ontario is good for the whole of Canada. The Canadian farmer, and more especially the farmer in this Province, depends

very largely on the home market. A comparatively small portion of his produce is exported. For instance, in 1923, approximately nine per cent. of the live cattle sold off farms in Canada were exported, about three and a half per cent. of the dressed beef, about eight per cent. of the dressed pork, one-half of one per cent. of the mutton and lamb, five per cent. of the butter, about one per cent. of the eggs (we import more than twice the quantity of eggs we export), less than five per cent. of the poultry. Ontario field crops are largely consumed in this Province and we consider it as particularly distressing to learn from a statement made by the Honourable the Minister of Agriculture for this Province a few days ago that between the 1st of January and the 1st of July of this year 3,952 cars of fruit and vegetables have been imported. We do not import 6,000,000 dozen eggs when the price is low. They come in when our market should be most profitable to the farmer. When we bring in fresh vegetables we deprive the market gardener of his most profitable market. We satisfy our appetites with early fruits and when our own berries come on the market the grower scarcely gets sufficient to pay for the packing. It is easy for one who is not a farmer to realize that there is little left to the grower of strawberries after he has paid for his boxes and crates and the packing, when he sells them for four cents a box. The farmer certainly is not getting any advantage in the United States market.

Industry at the same time is seriously affected by imports of manufactured goods produced in countries where labour costs are low, currency depreciated, or where highly specialized production methods have been developed through wide distribution. Many of our factories, through recent reductions in the tariff, have been compelled to shut down, or their operations have been restricted. Consumers of farm products have been thrown out of employment and the farmers' market has suffered in consequence. Our manufacturing capacity is not over developed. With sufficient protection to provide for distribution of both farm and factory products within our home market our manufacturing capacity could be further extended, we could employ more people, require the production of more food and give better service to the consuming public.

The question may be asked, why should the fiscal policy of this country, a Federal matter, be introduced before a Provincial Committee? The answer is that your Committee is endeavouring to find the truth. The result of your investigations will be the subject of public record. The public mind is unfortunately confused in respect to our fiscal policy. It is essential that the truth should be known and properly understood. The conclusions which your Committee may reach will have considerable educational value, and we respectfully submit that it is proper to place before the people of Ontario the disadvantages we are under as the result of large importations of foreign grown food products and manufactured articles.

We are impressed with what is so frequently said on behalf of agricultural interests in respect to the marketing of farm products. Large quantities of perishable products are thrust upon the market under circumstances which involve waste or material loss to the producer. The various governments, Federal and Provincial, have done a great deal to mitigate these evils. We would express the opinion that this educational work should be continued and extended, that producers should be encouraged to co-operate in their own interest in the marketing of their products on sound business lines, absolutely free,

however, from governmental or political influence. We think there is greater need amongst farmers to co-operate in marketing rather than that they should set up agencies for the purpose of buying because the latter only add to the large number of agencies which already exist for that purpose.

Large sums have been spent on the construction of good roads. It is common knowledge amongst those who have had the subject under observation that there has been a great improvement in the appearance of farm properties abutting on these roads, more or less coincident with their construction, all of which would indicate that those fortunately situated have derived some profit from these expenditures. We believe this work should be continued, not so much with the idea of creating trunk line speedways, but more with regard to building lateral roads of reasonable width and economic construction so as to extend the advantage to those who do not happen to be located on our main highways and thus provide a better outlet for farm product.

Statement by J. J. Morrison, August 27th, 1924.

The Committee I have the honour to address was appointed by the Provincial Government to consider the difficulties of the Ontario farmer. The problem is not simply a political one, it is not simply an agricultural one. It must be approached earnestly and courageously as one affecting every interest in the Province. That the Provincial Government recognizes this necessity is evidenced by its action in inviting representatives of finance, industry and commerce to present their views before this Committee.

I would like to make it plain that I do not appear before the Committee in my official capacity as secretary of The United Farmers of Ontario, but as an independent private citizen I welcome the opportunity of contributing, in a spirit of co-operation and goodwill, my own personal sentiments in regard to the urgency of existing conditions.

Ontario, Canada's premier Province, is still in the making. Its potential agricultural productiveness is but vaguely grasped. Our products are equal to those of any country in the world and our sons and daughters have no superiors. They capably fill any sphere in life. Yet Ontario has its rural problem. The great opportunities offered in other fields of endeavour have taken from our agricultural citizenship much of the energy and ability that have built up the great cities and their commercial interests. Some method must now be developed to conserve this energy and ability in association with agriculture so that our greatest industry may keep pace with the development of other interests.

The trouble with agriculture is that it does not provide sufficient remuneration. To offset these conditions in the industry we have resorted to palliatives instead of correctives, a most favoured one being immigration. Immigration appeals to transportation interests wanting fares, to business interests wanting more consumers, and to farmers wanting help. This policy is like pouring water into a leaky vessel. Immigrants are costly and the quality ever becoming more unsatisfactory.

Now that the Government of the day is seized of the great importance of maintaining our basic industry at its full capacity, there should be found a way

whereby farm production will obtain its full share of remuneration. This would be sufficient to attract to, and retain in, agriculture men and women of ambitious inclinations. At present the excessive spread between the price the producer receives and the price the consumer pays is injurious to both. The problem then is of sufficient interest and importance to merit our most careful consideration.

The problem being an economic one, relief must come by improved economic conditions, no matter how distasteful the remedy may be to those who have prospered greatly through extravagant expenditures in creating luxurious conditions and a standard of living beyond the possibility of the nation to sustain. The fact of this Committee sitting here in conference with representatives of financial, commercial and industrial institutions is evidence of the seriousness of conditions.

The question arises, can there be such a readjustment of business conditions that will make the farmer's dollar's worth of production equal to that of the man engaged in urban industry. If this were done, it would satisfy and bring contentment to those engaged in farming. It would relieve the farmer from the necessity of encumbering himself, his dependents and heirs, with a heritage of debt in the form of long term loans, relieve him from bondage to financial interests, restore to him pride in his industry and place him on an equality with those engaged in professional, financial and commercial pursuits. Urban municipalities almost everywhere in Ontario, from the great city to the little incorporated village, are under a load of bonded indebtedness. Rural municipalities have of late followed the larger centres, rushing into like indebtedness. The municipal tax of farmers has increased over four-fold in a few years. If these conditions are not checked, there is but one result—our assets will go to our creditors and our people into financial bondage. Correction of these conditions means financial, commercial and industrial reconstruction. Well, why not? Many conventional ideas since the close of the war have been overturned regardless of whose ox was being gored.

One may be asked, how should we proceed? I say it is the people's problem. Production and distribution are not the problems of agriculture alone. The life of the people and the industries of the nation are interlocked and interdependent. The solidarity of industry cannot be sidestepped by any selfish interests if we are to prosper as a people.

Taxation of the people can be so overloaded that the industries cease to function profitably. This is now the condition with agriculture. Industry is paying excessive interest. We are paying excessive salaries, many times greater than that paid our Prime Minister, and maintaining superb offices and equipment, in many cases, on borrowed capital.

Organized labour, including those employed by public utilities, is demanding shorter hours, higher rates for overtime, pensions, longer daylight for extravagant amusement, all of which lessen production and increase the cost of it at a time when the nation is struggling with the aftermath of war expenditure.

Industrial production is controlled by powerful labour organizations. They are stifling the supply of artisans and qualified operatives, regardless of the birthright of posterity to an equal opportunity to live. Under these conditions

a strong desire is everywhere discerned for government that will protect the interests of the people, especially the maintenance of their franchises and public utilities to furnish satisfactory service. Public franchises and utilities belong to the people. The people provide the revenues and are responsible for the expenditures and should exercise control through their elected representatives in the interests of the owners. It is now the people's struggle for retention of this control against individual, organized or corporate selfish domination.

If the operation of publicly owned utilities is to be exploited in the interests of those who operate, then public ownership becomes visionary and unworkable and the benefits from the expenditure made in acquiring and developing them will be confiscated from the people for the benefit of selfish interests.

Servants of the nation, employed in public utilities, if members of an international organization and subservient to it, place the nation and its government in an impossible position. Should a strike arise, it becomes mutiny by the employed against the employers, who are the people and the nation. The vast sums raised from international organizations and held as funds to finance strikes by the operatives of public utilities in another country create an unfriendly situation between the people of the two countries whose people and government are otherwise friendly, but whose servants in one country are in mutiny and are being aided financially by the servants of the other country, although no dispute may have arisen between the people of the two countries. These conditions are ever becoming more entangling and a remedy is past due. Let me briefly connect this broad consideration of public utilities with the particular problem of the farmer.

The tonnage volume and long haul to market of agricultural products and the farmers' return requirements cause them to regard transportation as one of their most serious problems. Unless government finds a way to control transportation cost and make favourable freight rates, production will falter under this load.

Almost all industry is suffering through excessive overhead cost, forced up by the organized effort of those who live out of the industry. Thus the climbing cost of urban living is steadily heightening the contrast of rural and urban standards.

Organization by farmers to control production would be the last act of the industrial struggle, bringing national disaster, as the military struggle has ruined the nations of Europe. Is not an industrial peace league required?

Desire to control production is an idea foreign to the farmer's nature. His tendency is rather to increase production to the limit.

Conditions render control of production difficult because the farmer may plant and breed, but his yield, to a great extent, is beyond his power to regulate.

Bureaus of information furnish world reports of estimated yield of farm products. The volume of consumption being well known, the demand is easily estimated. Thus price fixing comes within control of the speculator. The farmer does not market—he delivers to the market. Market control of agricultural products is not vested in the producers, but in non-producers whose profits are

drawn from those who produce only. The farmer does not market—he is marketed for. His cost is not considered and prices paid him are regulated by conditions over which he has no control.

When the farmer purchases the products of other industries, he is faced with stable and uniform prices, set under a cost plus profit system by the producer, which embrace all the overhead cost and which are represented in the price paid by the consumer.

Co-operative effort in production and marketing is surely a forward move in the interests of the people, if kept free from the evil tendencies that have penetrated other associations, organizations and unions. Co-operation must not be used to lessen the output, prevent the supply of artisans and skilled operatives or minimize their effort towards full productiveness. If such action is permissible among the operatives of any industry, then it is permissible also to prevent the use of labour-saving machinery.

The normal human inclination is to increase production, improve quality, facilitate marketing and lessen the cost of living.

Co-operative effort, if it is to benefit industrial activity in the interests of the people cannot foster the selfish elements that have permeated organized efforts of other institutions. The selfish exploitation of the many by the few must not be permitted to penetrate co-operative institutions if they are to prove beneficial to the people.

Co-operative marketing of the products of agriculture seeks to remedy the low purchasing value of the farmer's dollar. It is an attempt to bring about a better condition within the industry for the farmer. It will succeed only in such measure as it avoids the evils of exploitation for the personal benefit of a few men at the top, and if successful, must reduce the cost of service and raise the standard of quality.

The farmer, co-operating with nature, should stand in the high places. Sons of the soil who have performed outstanding service to their industry are entitled to larger recognition.

To sum up the main headings under which the Provincial Government can help to improve the conditions of the farmer and his industry:—

1. Economy: Ruthless elimination of every civic and government waste.
2. Public Ownership: Operation of public utilities in the interests of the people as a whole and not simply in the interests of those actually engaged in the operation and administration of public utilities.
3. Co-operation: Encouragement of co-operative marketing in accord with the principles of the best established system that can be suited to our conditions. This may be a matter for some research.

In conclusion, let me express the hope that this Committee may formulate and recommend a policy which will equalize much, if not all, contrasted conditions of remuneration and living as between the urban and rural dweller, a policy which will stop the clamour for more expenditure and the continual demand for a condition of living beyond the power of industry to maintain.

*Statement from The United Farmers' Co-operative Company, Limited,
October 30th, 1924.*

It is generally conceded that the initiative for the development of co-operative practice should come from the people themselves; that co-operation should grow from the bottom up. We believe in this principle and it is our opinion that the Government should in no way attempt to force, control or direct the trend of the co-operative movement within the Province. Government activity in this respect should be limited to providing facilities for securing the fullest and most reliable information regarding co-operative practice, which information should be available for the use of all farmers within the Province.

We strongly object to anything in the nature of a direct subsidy to individual co-operative organizations. We understand that recently the Provincial Government gave a subsidy of \$1,000 to a turnip growers' co-operative association to pay the expenses of sending its representative to the United States to investigate turnip markets. About the same time that this subsidy was paid, our own company, also representing a group of turnip growers, sent its general manager to the United States to investigate turnip markets, naturally at the expense of our own shareholders and patrons. It is manifestly unfair that one group of growers should have its expenses paid by the Government while another group should pay its own expenses. If the Provincial Government feels it necessary to investigate turnip markets or any other markets, then the Government should appoint its own representative and the information gathered should be available for every farmer in the Province, not simply for one particular group. (See note.)

Compared with other provinces Ontario would appear to be very far behind in the facilities provided by the Provincial Government for acquiring information regarding co-operative practice. While we hesitate to recommend the further increase of Government branches at this time, yet we feel that the Department of Agriculture should reorganize its Co-operation and Markets Branch on more efficient lines. The information provided in the report of the Minister of Agriculture under the heading "Co-operation and Markets Branch" is quite inadequate. We recommend the Provincial Government to consider the advisability of appointing a competent official who should combine the duties of Registrar of Co-operative Organizations and Markets Commissioner. The annual report of his department should at least contain a list of all the co-operative organizations within the Province, with officers, statement of capital, business transacted under various headings and amount of profit or loss. The branch should be a clearing house for all information regarding co-operative marketing and agricultural markets generally.

We recommend that the Committee make recommendations to the Provincial Government which should in turn make representations to the Federal Government for the purpose of considering ways and means of developing the world market for Canadian farm produce. Particularly should the recommendations be pressed of the advisability of adopting standard grades with distinctive trade names so as to create a demand by British and foreign consumers for the trade-marked products of Canadian farms.

NOTE—The information gathered regarding U.S. markets for Ontario table turnips is on file in the Department of Agriculture and accessible to all interested.

In view of the importance of developing the export market for Canadian farm products we believe it would be advisable for the Provincial Government to urge upon the Federal Government the advisability of providing cold storage facilities at the most convenient ports of export.

We think it advisable to say just a word about our own company. Organized on the joint stock basis a little over ten years ago, the intention was, and still is, to develop our business in accord with the principles of the best established co-operative practice. Due, unfortunately, to a policy of opening branch stores throughout the rural districts the company made heavy losses during recent years. Faced with the alternative of temporizing with its difficulties or boldly closing down the retail stores, the company chose the latter course. The drop in merchandise values since the close of the war made the company's loss a heavy one, but since this policy was adopted the company has been making steady progress. Our fiscal year ends October 31st and we anticipate bringing in a report which will show a satisfactory profit on the year's operation. The Live Stock Branch and Toronto Creamery Branch, which have always been successful features of the company's business, have continued to make excellent headway. The company having eliminated the speculative elements of its business, it is the purpose of the directorate to make every effort to establish the business more closely in accord with established co-operative practice.

While co-operative marketing has been developed in recent years on the commodity plan of a separate organization for each separate commodity, it is our opinion that a modification of this plan is necessary for a mixed farming area like Ontario. The separate commodity plan of organization works well in districts where farmers specialize on certain crops. It works well with tobacco in Kentucky, with dried fruits on the Pacific Coast, with citrus fruits in California, with cotton in the Southern States, with wheat on the prairies, but it does not quite fit the needs of Ontario except in certain specialized crops such as wool or honey. Our object is to develop our business as closely to the commodity plan as possible, but instead of having an entirely separate organization for each of the more or less closely allied products we handle, we will have a separate department for each commodity, each department in charge of its own expert, each department independent of the other departments, but each co-operating with the others under the control of one board of directors.

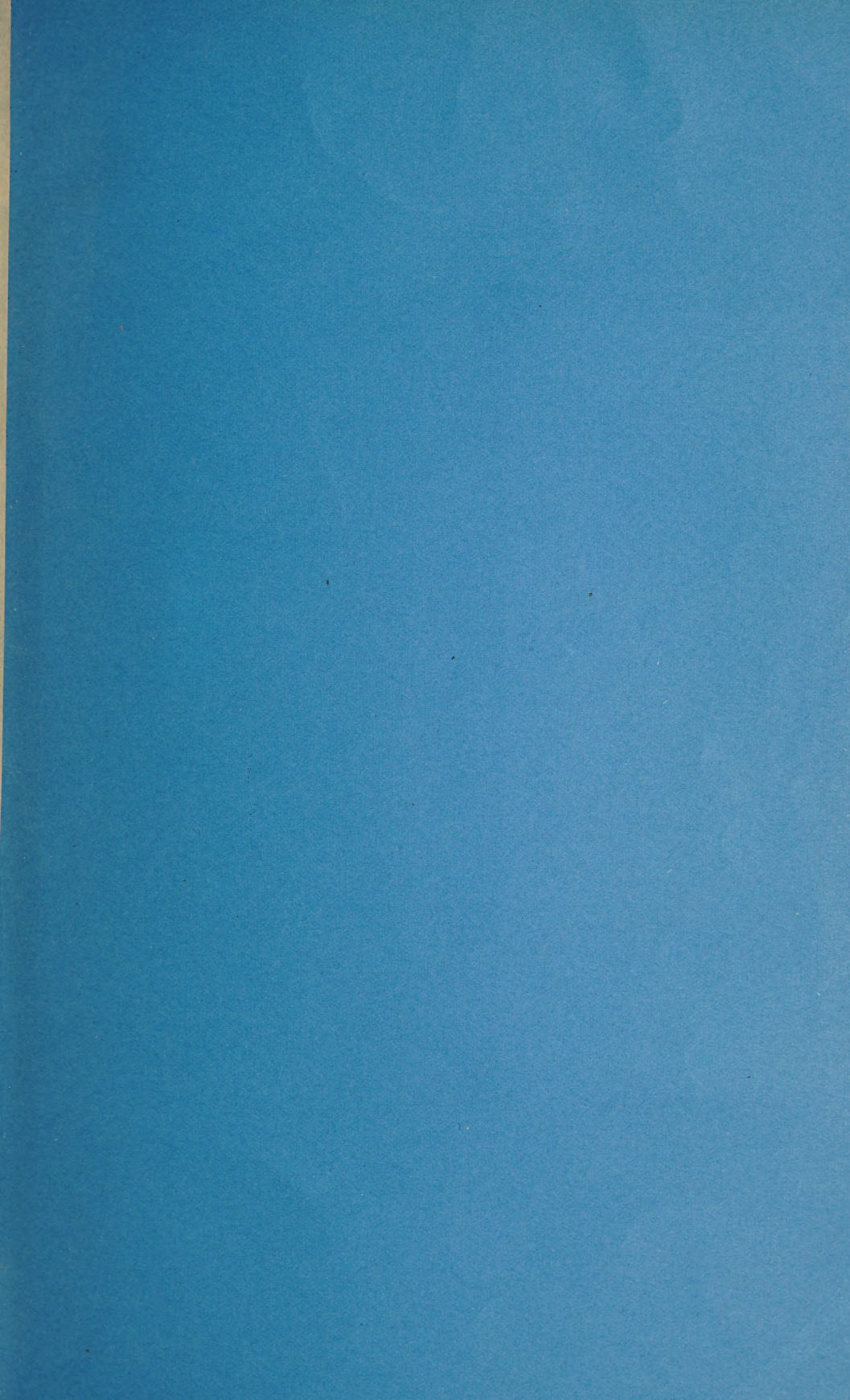
While, as we have already pointed out, we object strongly to any suggestion of subsidization of co-operative organizations, we feel that the Provincial Government should, by research and the dissemination of information relative to co-operative practice, help to develop within the minds of the farmers a confidence in the co-operative system and through its reports give moral support and encouragement to those organizations of the farmers own creation which are endeavouring to foster within the farmer a spirit of greater self-reliance in trying to solve his own problems and a determination by his own efforts to find a means of placing his industry on a more profitable basis.

Resolution of The United Farm Women of Ontario.

Whereas the Women's Institutes Branch of the Department of Agriculture is financed by public money, and whereas it is unfair that any one group or

section of the people should have a monopoly of the service of a department financed by all, and whereas the service of the Women's Institutes Department is conditional upon endorsement of or membership in the Women's Institute,

Therefore be it resolved, that we, The United Farm Women, in convention assembled, demand that this department be renamed the Woman's Department, and that its services be made available to all organized women without requiring them to forego their identity or independence.



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